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**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH**

(216)

CWP-3527-2021

Date of decision:- 10.02.2026

Smt. Ridhima Miglani

... Petitioner

Versus

Punjab State Power Corporation Ltd. and others ... Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present:- Mr. Vivek Chauhan, Advocate for the petitioner.

Mr. B.S.Khehar, Advocate for respondent No.1.

Mr. Amandeep Singh Saini, Advocate
for respondent No.3-Ombudsman.

SUVIR SEHGAL, J. (ORAL)

1. Petitioner has approached this Court, *inter alia*, for issuance of a writ, in the nature of certiorari, for quashing order dated 26.06.2020, Annexure P-1, passed by Consumer Grievances Redressal Forum (for short “the Forum”) and order dated 11.01.2021, Annexure P-2, passed by the Lokpal (Ombudsman) Electricity, Punjab.

2. Counsel for the petitioner states that petitioner is manufacturing hosiery goods and has a MS connection from Punjab State Power Corporation Ltd. (PSPCL). Counsel states that electricity duty from July, 2015 to November, 2019 was levied in lump sum in supplementary electricity bill, dated 20.01.2020, which was challenged by the petitioner before the Forum-respondent No.2. Counsel states that the challenge was rejected vide impugned



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order, Annexure P-1 and petitioner remained unsuccessful in an appeal filed before the Ombudsman, which was declined vide impugned order, Annexure P-2. Counsel asserts that petitioner is not liable to deposit the amount as the alleged liability is more than two years old. He has placed reliance upon Section 56 (2) of the Electricity Act, 2003 as well as judgment of the Hon'ble Supreme Court in *Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Limited and another Versus Rahamatullah Khan alias Rahamjulla, (2020) 4 SCC 650.*

3. Writ petition is being contested by respondent No.1 by filing a response, wherein it has been stated that electricity charges could not be inadvertently charged in bills from July, 2015 to November, 2019. It was charged for the first time on 20.01.2020 and the amount first became due on the said date. It is his assertion that the period of limitation starts from the day when the amount is demanded.

4. I have heard counsel for the parties and considered their respective submissions.

5. Interpreting sub-section (2) of Section 56 of the Electricity Act, 2003, Hon'ble Supreme Court in *Assistant Engineer's* case (supra) has held that liability to pay arises on the consumption of electricity. The obligation to pay would arise when the bill is issued by the licensee company, quantifying charges to be paid. Electricity charges become "first due" only after the bill is issued to the consumer, even though the liability to pay may arise on the consumption of electricity. Hon'ble Supreme Court has clarified that the limitation of two years would commence from the date on which the electricity



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charges became “first due” under sub-section (2) of Section 56, *ibid*. This provision restricts the right of the licensee company to disconnect the 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. This provision does not preclude the licensee company from raising a supplementary demand after the expiry of limitation period of two years. It only restricts the right of the licensee to disconnect the electricity supply due to non-payment of dues after the period of limitation of two years has expired. This provision is not an embargo for 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. In **Prem Cottex Versus Uttar Haryana Bijli Vitran Nigam Limited and others, (2021) 20 SCC 200**, Hon’ble Supreme Court explained that in case the licensee has not raised any bill, there can be no negligence on the part of the consumer to pay the bill and consequently, the period of limitation prescribed under sub-section (2) will not start running. So long as limitation has not started running, Apex Court opined that bar for recovery and disconnection will not come into effect.

6. Examining the facts of the present case in the light of the judgments of the Hon’ble Supreme Court, it cannot be disputed that the demand for electricity duty was raised by PSPCL for the first time on 20.01.2020 by raising a supplementary bill. The demand cannot be said to be barred by limitation, even though it pertained to the period from July, 2015 to



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November, 2019 and could not be inadvertently charged in the bills for the said period. This Court, therefore, does not find any error in the reasoning given by the Forum or the Ombudsman, whereby the demand raised from the petitioner has been upheld.

7. At this stage, counsel for the petitioner has invited the attention of the Court to its order dated 15.02.2021, whereby while issuing notice of motion, a statement was recorded that petitioner has deposited 60% of the demanded amount. By this order, recovery of balance amount was stayed. Counsel has pointed out that the interim order is continuing till today, but despite this, PSPCL is issuing electricity bills and levying interest as penal charges on the balance amount. Counsel asserts that penal charge is illegal as deposit of the balance amount has been stayed by an interim order.

8. This Court finds merit in this submission of the counsel for the petitioner.

9. While disposing of the writ petition, it is ordered that a fresh bill for balance electricity duty be issued without levy of penal charges from 15.02.2021. Petitioner is granted a period of three months from today to deposit the balance amount, excluding the penal charges. In case, petitioner fails to deposit the balance amount within the aforesaid period, PSPCL shall be at liberty to proceed in accordance with applicable rules and regulations.

10. With the above observation, writ petition is disposed of.

10.02.2026

Kamal

(SUVIR SEHGAL)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No