



**110 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CWP-11532-2026 (O&M)
Date of Decision: 18.04.2026**

Uttar Haryana Bijli Vitran Nigam Limited

...Petitioner

Versus

KCC Buildcon Limited

...Respondents

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Ms. Neha Rani, Advocate for
Ms. Anu Pal, Advocate
for the petitioner.

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of order dated 22.08.2025 whereby Appellate Authority has allowed respondent's appeal under Section 127 of Electricity Act, 2003 (for short '**2003 Act**').

2. The officials of petitioner on 18.03.2025 conducted inspection at the respondent's premises. The officials formed an opinion that there is unauthorized use of electricity connection. The consumer is utilizing electricity for toll plaza by tapping the output of consumer end meter. The petitioner framed provisional assessment which was followed by final assessment order dated 05.05.2025. The respondent-consumer preferred an appeal under Section 127 of 2003 Act which has been allowed by impugned order dated 22.08.2025 passed by appellate authority.

3. Learned counsel for the petitioner submits that respondent was not authorized to use electricity for its toll plaza. Act of respondent amounts to unauthorized use of electricity.

4. Heard the arguments and perused the record.

5. From the perusal of record, it is evident that officials of petitioner inspected respondent's premises on 18.03.2025. They formed an opinion that there is unauthorized use of electricity connection. The electricity was utilized for toll plaza by tapping the consumer end meter. The petitioner in terms of Section 126 provisionally and thereafter finally assessed liability. The respondent preferred appeal which came to be allowed by Appellate Authority. The findings recorded by Appellate Authority read as:

“4. Scope and Applicability of Section 126

Section 126 of the Electricity Act, 2003, deals with unauthorized use of electricity. Unauthorized use is defined in Explanation (b) to the section and typically includes usage by unauthorized means, for a different purpose than sanctioned, for premises or areas not approved, or extension to unauthorized premises.

In this case, there is no evidence to suggest that the electricity was used for any purpose other than what was sanctioned i.e., to operate the Toll Plaza under the Concessionaire Agreement with NHAI. The supply was extended to a connected facility under the same ownership and operational control. There is no allegation or proof of tampering, bypassing, or supplying to external consumers, which are critical factors justifying penal action under Section 126.

Thus, interpreting such intra-project supply as "unauthorized" merely because of meter location is overly rigid and inconsistent with the legislative intent behind Section 126, which is to penalize dishonest abstraction or

fraudulent usage and not to penalize logistical or technical extensions within the same sanctioned facility.

5. Observations on Respondent's Action

The Respondent has misconstrued the provision of Section-126 of the Electricity Act. However, the applicability of Section 126 of the EA-2003 hinges on a clear case of misuse of electricity. In the instant case, the Toll Plaza is not an unauthorized or external premise; it is pa part and parcel of the very infrastructure project for which the connection was obtained.

Moreover, the Appellant has acted in good faith by formally requesting meter relocation and depositing the estimate amount as sanctioned by the Respondent itself. These actions negate any presumption of wellful default or misuse and point instead to a case of technical regularization rather than penal violation.

6. Legal and Equitable Considerations

It is a settled principle that penal provisions such as those under Section 126 must be construed strictly, and no penalty can be sustained where the alleged infraction is more procedural than substantive. The Appellant has not derived any undue benefit, nor caused any loss to the utility, nor engaged in unauthorized commercial sale or diversion.

Additionally, both NHAI's endorsement and the sanctioned deposit estimate by UHBVNL to shift the meter to the Toll Plaza premises show institutional acceptance of the Appellant's legitimate position. Therefore, the assessment order is not only disproportionate but contrary to equity and good administrative practice.

7. Conclusion

After detailed consideration of the facts, documents, and applicable legal provisions, this Appellate Authority is of the considered opinion that:

- The extension of electricity from the office to the Toll Plaza by the Appellant does not*

constitute unauthorized use within the meaning of Section 126 of the Electricity Act, 2003.

- *The categorization of such internal use as "sale of electricity" is factually and legally unfounded.*
- *The actions of the Appellant reflect good faith and cooperation with UHBVNL to resolve the metering issue.*

8. Order

Accordingly, it is hereby ordered as under:

- 1. The Final Assessment Order issued under Section 126 of the Electricity Act, 2003 against M/s. KCC Buildcon Pvt. Ltd., including the demand of Rs. 41,55,962/- is quashed and set aside.*
 - 2. The Respondent is advised to complete the relocation of the metering point to the Toll Plaza premises in coordination with Appellant within a reasonable period, if not already completed.*
 - 3. The Respondent shall treat the supply to the Toll Plaza as authorized, and no further penal action shall be initiated on the same grounds, subject to continued compliance.*
 - 4. The 50% of assessed amount deposited by the appellant may be got adjusted/refund in the electricity bill at the earliest.*
 - 5. No order as to costs."*
6. From the perusal of findings recorded by Appellate Authority, it is evident that consumer/respondent paid due electricity charges. There was no misuse of electricity connection. It is not a case of non-payment/short payment of electricity charges. The petitioner has failed to show any evidence to the fact that any loss was caused to petitioner which could be assessed and recovered under Section 126. The findings recorded by Appellate Authority are just and reasonable. There

seems no reason to interfere in the impugned order.

7. In the wake of aforesaid discussion and findings, the petition deserves to be dismissed and accordingly ***dismissed***.

8. Pending application(s), if any, shall also stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

18.04.2026
Prince Chawla

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No