BEFORE THE VIDYUT OMBUDSMAN FOR THE STATE OF TELANGANA
First Floor 33/11 kV Substation, Beside Hyderabad Boat Club
Lumbini Park, Hyderabad - 500 063

PRESENT : SRI MOHAMMAD NIZAMUDDIN
VIDYUT OMBUDSMAN

MONDAY THE THIRTEENTH DAY OF OCTOBER
TWO THOUSAND AND TWENTY FIVE

Appeal No. 20 of 2025-26

Between

M/s. Tirupathi Containers, Sri Narsi Reddy (Proprietor), Plot No.158, D.No.6-6-23, Saibabanagar, Kattedan, Hyderabad - 500 077.

…..Appellant

AND

1. The Assistant Engineer/Operation/Shastripuram/TGSPDCL/Rajendranagar Circle.
2. The Assistant Divisional Engineer/Gaganpahad/TGSPDCL/Rajendranagar Circle.
3. The Assistant Accounts Officer/ERO/Gaganpahad/TGSPDCL/Rajendra Nagar Circle.
4. The Divisional Engineer/Operation/Rajendra Nagar Circle/TGSPDCL /Rajendra Nagar Circle.
5. The Superintending Engineer/Operation/Rajendra Nagar/TGSPDCL/Rajendra Nagar Circle.

….. Respondents

This appeal is coming on before me for the final hearing on 09.10.2025 day in the presence of Sri Ravinder Prasad Srivastava - authorised representative of the appellant and Sri N. Sudhakar Raju - AE/OP/Sashtripuram, Sri K. Easwara Prasad - ADE/OP/Gagan Pahad, Smt.Gopi Nagamani - AAO/ERO/Gaganpahad and Sri N. Shekar - AO/Revenue/Rajendra Nagar for the respondents and having stood over for consideration till this day, this Vidyut Ombudsman passed the following:-

AWARD

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum - Greater Hyderabad Area (in short 'the Forum') of Telangana State Southern Power Distribution Company Limited (in short 'TGSPDCL') in C.G No.60/2025-26/Rajendra Nagar Circle dt.11.09.2025, rejecting the complaint.

CASE OF THE APPELLANT BEFORE THE FORUM

2. The case of the appellant is that the appellant is a beneficiary- consumer of the respondents vide Service Connection No. 3414 01194(in short "the subject Service Connection") with contracted load of 65.25 KW (87 HP) of LT Category-III A for supply of energy and demand from the respondents.

3. Initially, in the first round of litigation, respondent No.3 vide his Lr.No.ADE/OP/Rajendranagar/D.No.1322/18 dt.31.08.2018 issued Provisional Assessment Notice (in short 'PAO notice') for back billing of Rs.28,86,362/- for the period from 10.07.2008 to 31.07.2018 duly changing the Category from LT-III (Industrial) to LT-II (Commercial). Thereafter the appellant approached the learned Forum and the learned Forum has returned the complaint on 28.09.2018 on the ground that the consumer falls under Section 126 and 127 of the Indian Electricity Act 2003 (in short "the Act"). Thereafter the appellant

preferred an Appeal No.45 of 2018 before this Authority and vide Award dt.26.11.2018, this Authority while allowing the appeal in part directed the respondents to withdraw the back billing claim from 10.07.2008 to 31.03.2011. Aggrieved by the relief denied by this Authority, the appellant approached the Hon'ble High Court vide W.P.No.45122 of 2018. The Hon'ble High Court remanded the case to respondent No.4. The appellant thereafter approached respondent No.4 and on his information, approached respondent No.5. Respondent No.5 passed Final Assessment Order vide Lr.No.SE/OP/Rajendra Nagar/D.No.488 dt.17.06.2025 (in short "impugned order") and directed the appellant to pay Rs.32,65,159/- (Rs.32,65,041/- + Rs.118/-) after adjusting the earlier amounts paid.

4. The appellant thereafter approached the learned Forum and the learned Forum rejected the complaint filed by the appellant on 11.09.2025. Then the present appeal is filed before this Authority, contending among other things, that the learned Forum failed to consider the effect of Clause 3.4.1 of General Terms and Conditions of Supply (in short 'GTCS') before re-classification of the Category. The appellant is a manufacturing company. The claim is barred under Sec.56(2) of the Act. It is accordingly prayed to set aside the claim of Rs.32,65,159/- passed under the impugned order, to refund Rs.16,00,000/-, (Rs.10,00,000/- and Rs.6,00,000/-) with interest for the relevant period and the relevant percentage and to set aside the impugned

Award of the learned Forum.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

5. In the written reply filed by respondent No.2 before the learned Forum, it is, inter-alia, submitted that the appellant is a printing press and making printed polythene rolls as finished product thus it is classified under Commercial Category.

6. In the written reply filed by respondent No.3 before the learned Forum, it is, inter-alia, submitted that the appellant has been utilising the power supply for printing on the plastic covers which covers under LT Category-II but the service is being billed under LT Category-III. Therefore the back billing amount was assessed.

AWARD OF THE FORUM

7. After considering the material on record and after hearing both sides, the learned Forum has rejected the complaint.

8. Aggrieved by the said Award of the learned Forum, the present appeal is preferred, reiterating the contents of the complaint filed before the learned Forum. It is accordingly prayed to set aside the impugned Award of the learned Forum, to set aside the impugned order dt.17.06.2025 of respondent No.5 and to refund Rs.16,00,000/- along-with interest accrued from 27.12.2018 till date of refund on Rs.10,00,000/- along with interest from

28.08.2019 till the date of refund on Rs.6,00,000/- along-with interest @ 9% p.a.,. and 24% p.a, for the relevant period.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

9. No written reply was filed by the respondents before this Authority.

ARGUMENTS

10. It is submitted by the authorised representative of the appellant that it is mandatory for the respondents to give (15) days notice under Clause 3.4.1 of GTCS before re-classification of the Category which is not done in this case; that the claim is barred under Sec. 56(2) of the Act and that the appellant is an industry and not undertaking any printing activity. Therefore it is prayed to allow the appeal by setting aside the impugned order and impugned Award and also to refund the amount already paid with interest @9% p.a., and 24% p.a., respectively for the relevant period as stated above.

11. On the other hand, the respondents have supported the impugned Award and prayed to reject the appeal.

POINTS

12. The points that arise for consideration are:-

i. Whether Clause 3.4.1 of GTCS is not followed in this appeal?

ii. Whether the claim is barred by Sec. 56(2) of the Act?

iii. Whether the appellant is a manufacturing unit or a printing press?

iv. Whether the appellant is entitled for refund of Rs.16,00,000/- with interest from 27.12.2018 till its refund on Rs.10,00,000/- and from 28.08.2019 till its refund on Rs.6,00,000/- @9%pa.,?

v. Whether the Award of the learned Forum is liable to be set aside? and

vi. To what relief?

POINT Nos. (i) to (v)

ADMITTED FACTS

13. It is an admitted fact that the appellant challenged the PAO notice dt.31.08.2018 issued in the first round of litigation assessing back-billing of Rs.28,86,362/-. The complaint filed by the appellant before the learned forum was returned. Thereafter the appellant filed Appeal No. 45 of 2018 before this Authority. It was allowed in part on 26.11.2018 directing the respondents to revise the bills from April 2011 to July 2018. Thereafter the appellant filed W.P.No.45122 of 2018. In I.A.1 of 2018 in the said Writ Petition, the appellant was directed to pay 50 % of the amount quantified by this Authority. Accordingly, the appellant paid a sum of Rs.10,00,000/- on 27.12.2018 and Rs.6,00,000/- on 28.08.2019. While disposing of the W.P.No. 45122 of 2018, the Hon'ble High Court directed the appellant to make a representation before respondent No.4. Accordingly the appellant approached respondent No.4 who in turn, informed the appellant to approach respondent No.5 Thereafter the appellant approached respondent No.5 who passed the impugned order.

SETTLEMENT BY MUTUAL AGREEMENT

14. Both the parties have appeared before this Authority virtually and physically. Efforts were made to reach a settlement between the parties through the process of conciliation and mediation. However, no settlement could be reached. The hearing, therefore, continued to provide reasonable opportunity to both the parties to put-forth their case and they were heard.

REASONS FOR DELAY IN DISPOSING OF THE APPEAL

15. The present appeal was filed on 22.09.2025. This appeal is being disposed of within the period of (60) days.

CRUX OF THE MATTER

16. The appellant prayed to set aside the impugned order passed vide Lr.No.SE/OP/RJNR/D.No.488 dt.17.06.2025 by Superintending Engineer/Operation/Rajendra Nagar (respondent No.5 herein), wherein an amount of Rs.32,65,159/-, was confirmed as the liability for payment of back-billing amount for the period April 2011 to July 2018 towards wrong categorisation under LT Category-III instead of LT Category-II against the Service Connection No.3414 01194.

In addition, it also requested for:-

a) refund of Rs.10,00,000/- already paid amount (interest on above amount) and

b) refund of Rs.6,00,000/- already paid amount with interest @ 9% p.a., and 24% p.a, as per Clause 2.49 (b) of Regulation 3 of 2015.

The Clause 2.49(b) of Regulation 3 of 2015 reads as under:-

> "Return to the Complainant the under charges paid by the Complainant along-with simple interest at 9% per annum for the period for which the undue charges were withheld by the Licensee;"

17. The SE/OP/Rajendra Nagar in compliance to the directions of the Hon'ble High Court conducted hearing with the appellant's representative on 07.05.2025 and based on the inspection conducted by ADE/DPE on 03.05.2025 concluded that the usage of supply is exclusively for printing and that polythene rollers were loaded at one end and goes through the printing machine subsequently making a printed polythene rolls as finished product and hence he has confirmed that the Service Connection is to be classified under Category-II(Commercial). Further, the LT inspection report and Provisional Assessment Order notice which are as per the format prescribed in the GTCS were served to the appellant. In the notice given to the consumer it was suggested them to represent to DE/OP/Rajendra Nagar within (15) days from the date of service of the notice, thereby proper opportunity was given to the appellant to be heard.

18. The dispute is in regard to classification of the Category of the subject Service Connection which was released under LT Category-III. The Hon'ble Commission vide the Tariff Orders, approved from time to time, envisages the tariff rates for the different categories of the consumers based on the usage of supply. The LT Category-III, which is a subsidised Category is

applicable for the consumers having manufacturing activities. The appellant claimed that the purpose of usage of supply of his Service Connection is towards manufacturing activity for flexible packaging and laminates conversion and hence, pleaded to restore the LT-III Category which was existing since the inception of the Service Connection. The respondents contended other-wise as the usage of supply of the service falls under commercial activity.

WHAT IS MANUFACTURING PROCESS OF FLEXIBLE PACKAGING PRODUCTS

19. The production of flexible packaging products consists of combining the different layers of material(s) required for each particular packaging order. The combination of materials depends on the product's requirements, such as impermeability, desired shelf life and cost consideration. Flexible packaging products are made from any combination of the following plastics(such as polypropylene, polyethylene and/or polyester), aluminum foil, paper, wax and adhesives. The most common packaging types are multi-layer, co-extruded barrier films, and metallized films. Many of the packaging component materials are purchased in film rolls. Owing to the high volume of polyethylene used in flexible packaging, this raw material is purchased in pellet form (resin) and will be extruded at the company's facilities into rolls of the appropriate diameter, thickness, width and color for each particular order.

20. After the printing process, additional laminates and any other necessary layer are attached (laminated) using adhesives between layers. Finally, the rolls are cut, folded (if necessary) and packaged. The following depicts the flexible packaging production process:-

Graphic designing, extrusion of polyethylene, printing, laminating and layering (as required), cutting/slitting (as required), folding/pouching (as required), packing/shipment.

21. The inspection conducted by the respondents reveals the following machinery available at the appellant's premises:-

Sl.No.	Job Work	Load
1.	Printing Work	34.00HP
2.	Paper Cutting	15.50HP
3.	Pouching	05.90HP
4.	Lamination	14.40HP
5.	Compressor	12.50HP
6.	Lighting	00.80HP
	Total	83.10HP

It is the case of the appellant that vide representation dated 23.05.2025, before the SE/Operation that out of 34 HP load for the printing work 28.50HP is for the Roto Graver Printer and balance 5.50 HP pertains to other process and that out of a total load of 83.10 HP 54.60 HP was claimed to be for the purpose of manufacturing process. It is pertinent to note that the load 54.60HP from the above table consists of Paper Cutting, pouching, Lamination, Compressors and Lighting.

22. The above available machinery at the consumer's premises does not involve any manufacturing process i.e., no raw material is processed to make a value added product. The photos of the finished product i.e flexible packaged covers submitted by the appellant do not indicate any manufacturing process. The appellant failed to explain how the above machinery falls under the manufacturing process. Hence, it can be concluded that no manufacturing activity is there and the supply is being utilised for printing purposes, according to the Tariff Orders which falls under the Commercial Category-LT(II). Hence, I hold that the appellant is not a manufacturing unit but it is a printing press.

APPLICATION OF SECTION 56(2) OF THE ELECTRICITY ACT

23. The appellant contended that the back billing amount demanded by the respondents is hit by Sec.56(2) of the Act. The said provision is reproduced here-under:-

> "Sec. 56(2):- Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity."

The appellant submits that the amount involved in this case was not shown continuously and hence it is barred by limitation under Sec.56(2) of the Act. The appellant has relied upon the judgement in **W.P. No. 21179 of 2012 dated 26.09.2012 (Rajini Ginning and Pressing Factory, Adilabad v. SE/NPDCL)** wherein the Hon'ble High Court has held as under:-.

> "I am of the opinion that unless the licensee continues to show the disputed amount under the bills raised within two years from the date when the amount allegedly fell due, it cannot recover such amount from its consumers. As admittedly the amount demanded under the impugned notice fell due more than two years prior to its demand and this amount was not shown in the bills issued during the two years period immediately following the period for which the amount fell due, the claim is barred by limitation as prescribed under Section 56(2) of the Act. On the above premises, the impugned notice is set aside."

At this stage it is necessary to refer to the Full Bench judgement of the Hon'ble Supreme Court reported in **KC Ninan v. Kerala State Electricity Board & Others**[1] holding that the Sec.56(2) of the Electricity Act,2003 imposes a limitation period of two years for recovering arrears through the mechanism of electricity disconnection and that however, this does not bar electric utilities from using other legal remedies such as civil suits, to recover dues beyond this period. The above observation of the Hon'ble Supreme Court makes it clear that the licensee can recover the electrical arrears through Civil remedies or by using its statutory authority under the terms of supply.

[1] (2023) 14-SCC-431

24. The authorised representative of the appellant has relied upon the judgement of the Hon'ble Supreme Court in **ASST. ENGINEER (D1) AJMER VIDYUT NITRAN NIGAM LTD AND ANR v.RAHAMATULLAH KHAN alias RAHAMJULLA** in Civil Appeal No. 1672 of 2020 arising out of Spl. Leave Petition(c) No. 5190 of 2019 dt. 18.02.2020. In the said judgement of the Hon'ble Supreme Court it is held that the period of limitation under Sec.56(2) of the Act cannot be extended by raising a supplementary bill and that the obligation to pay electricity bill would arise when the bill is issued by the Licensee-company quantifying the charges to be paid and that the electricity would 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. The facts in the said case and the facts in the present case are different, therefore this judgement is not applicable. Hence the claim is not barred under Sec. 56 (2) of the Act.

25. **Clause 3.4.1 of GTCS:**

At this stage it is necessary to refer to Clause 3.4.1 GTCS which is as under:-

> " 3.4.1: Where a consumer has been classified under a particular category and is billed accordingly and it is subsequently found that the classification is not correct (subject to the condition that the consumer does not alter the category/ purpose of usage of the premises without prior intimation to the Designated Officer of the Company), the consumer will be informed through a notice, of the proposed reclassification, duly giving him an opportunity to file any objection within a period of 15 days. The Company after due consideration of the consumer‟s reply if any, may alter the classification and suitably revise the bills if necessary even with retrospective effect, the assessment shall be made for the entire

period during which such reclassification is needed, however, the period during which such reclassification is needed cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection"

The appellant claimed that Clause 3.4.1 of GTCS has not been complied with in the present case and hence it is prayed to set aside the impugned order.

The following are the recourse taken by the appellant at various stages:-

	Date	Remarks
CGRF II	22.09.2018	Rejected the appeal under section 127 of the Act.
VIDYUT OMBUDSMAN	26.11.2018	Revised the period of assessment on April 2018 to July 2018, set aside the appeal no 45 of 2018.
HON'BLE HIGH COURT	30.01.2025	Remanded the appeal to DE/Operation subject to payment of 50 % of the amount W.P. No.45122 of 2018.
DE/OPERATION	28.02.2025	Redirected to SE/Operation
SE/OPERATION	10.03.2025	Hearing was conducted on 07.05.2025 with the consumer representative as per the Clause 3.4.1 of GTCS. Confirmed the final orders with the direction to pay Rs.32,65,041/- towards back billing.

As per the above given data the appellant exhausted all his rights before competent authorities and finally approached the Hon'ble High Court, where vide W.P. No.45122 of 2018, orders were issued directing the appellant to approach DE/Operation. The SE/Operation vide Lr.No.SE/OP/RJNR/D. No.

488 dt.17.06.2025 (impugned order) has held that an opportunity to be heard was given to the appellant through the hearing which was conducted on 07.05.2025 and also based on the inspection conducted at the factory by ADE/DPE dated 03.05.2025, he has confirmed the final orders with the direction that the subject Service falls under the commercial category LT-II and required the appellant to pay Rs.32,65,041/- towards back billing for the period from April 2011 to July 2018. In view of the above, it can be concluded that the GTCS Clause 3.4.1 was complied with by the respondents and hence the claim of the appellant is not tenable. It is not as if the appellant has approached the respondents for the first time.

26. The learned authorised representative of the appellant has relied upon the judgements of our own Hon'ble High Court in M/s. Lotus Polypacks India Pvt. Ltd., v. The Southern Power Distribution Company of Telangana (W.P.No. 6493 of 2016 dt.29.02.2016) and W.P.No.16196 of 2024 dt.23.12.2024 (The AE/OP/Gundlapochampally & Ors. v.M/s. Veerabhadra Swamy Apparel and another). These judgments of the Hon'ble High Court dealt with change of Category without notice. The Hon'ble High Court has held that it is mandatory to follow Clause 3.4.1 of GTCS and initial notice of (15) days is to be given before change of Category. There is no dispute about the proposition laid down in the said judgements. But in the present case the matter went to the Hon'ble High Court in the first round of litigation and therefore opportunity was given to the appellant by respondent No.5 as

directed by the Hon'ble High Court. Therefore these judgements are not helpful to the appellant.

27. In view of the above analysis, I hold that Clause 3.4.1 of GTCS is followed in this case. The claim is not barred under Sec. 56(2) of the Act and the appellant is a printing press. Accordingly, the appellant is not entitled for refund of Rs.16,00,000/- with interest as claimed. The Award of the learned Forum is not liable to be set aside for different reasons. These points are accordingly decided against the appellant and in favour of the respondents.

Point No.(vi)

28. In view of the finding on point Nos.(i) to (v), the appeal is liable to be rejected.

RESULT

29. In the result, the appeal is rejected, but for different reasons. CMP is closed.

A copy of this Award is made available at https://vidyutombudsman-tserc.gov.in.

Typed to my dictation by Office Executive-cum-Computer Operator, corrected and pronounced by me on this the 13th day of October 2025.

Sd/-

Vidyut Ombudsman

1. M/s. Tirupathi Containers, Sri Narsi Reddy (Proprietor), Plot No.158, D.No.6-6-23, Saibabanagar, Kattedan, Hyderabad - 500 077.

2. The Assistant Engineer/Operation/Shastripuram/TGSPDCL/Rajendranagar Circle.

3. The Assistant Divisional Engineer/Gaganpahad/TGSPDCL/Rajendranagar Circle.

4. The Assistant Accounts Officer/ERO/Gaganpahad/TGSPDCL/Rajendra Nagar Circle.

5. The Divisional Engineer/Operation/Rajendra Nagar Circle/TGSPDCL /Rajendra Nagar Circle.

6. The Superintending Engineer/Operation/Rajendra Nagar/TGSPDCL/Rajendra Nagar Circle.

Copy to

7. The Chairperson, Consumer Grievances Redressal Forum of TGSPDCL- Greater Hyderabad Area, Door No.8-3-167/E/1, Central Power Training Institute (CPTI) Premises, TSSPDCL, GTS Colony, Vengal Rao Nagar, Erragadda, Hyderabad - 45.