



In the matter of:

Complaint No. 23/2025

M/S Kundlas Loh Udyog, Village Balyana, PO Barotiwala, Tehsil Baddi,
District Solan, HP-174103

– Complainant

Vs

1. The Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan, Shimla-171004
2. The Sr. Executive Engineer (E), Electrical Division, HPSEB Ltd, Baddi, District Solan HP 173205
3. The Assistant Engineer (E), Electrical Sub-Division, HPSEBL, Barotiwala, District Solan HP-174103

-Respondents

Complaint No23/2025 (Registered on 08/07/2025)

(Orders reserved on 16.09.2025, Issued on 29/09/2025)

Present for:

The Complainant: - Sh. Rakesh Bansal, Authorized Representative
-Sh.Manik Sethi, Advocate
-Sh.Tawarsu , Advocate

The Respondents: -Sh. Kamlesh Saklani, Under Sectt. Law
- Sh. Rajesh Kashyap
-Er. Vidur, AEE, ESD Engineer Barotiwala

QUORUM

Er. Deepak Uppal
HP Electricity Ombudsman



1. M/S Kundlas Loh Udyog, Village Balyana, PO Barotiwala, Tehsil Baddi, District Solan, HP-174103 have filed an Application, received on 07/07/2025 & registered on dt.08/07/2025 under the liberty to approach this authority in terms of judgement passed by



Hon'ble H.P. High Court in COPC No. 485 of 2025 dt.04.06.2025 and Hon'ble Himachal Pradesh Electricity Regulatory Commission in petition No. 285/2025 dt. 17.06.2025.

2. It has also been observed that under the behest of said orders, the Complainant has also filed an application under Regulation 36(1) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 along with the main representation with prayer that this application may kindly be allowed and during the pendency of this Appeal/Representation, the recovery of the amount of Rs. 49,13,637/- may be directed to be stayed.
3. The matter was listed for admission hearing on 29/08/2025 but due to unprecedented rainfall and unpredictable weather forecast, adjourned and again fixed for admission hearing on 04.09. 2025. In order to facilitate further pleadings in a comfortable domain, the contentions of the complainant first need to be recapped as under in totality to understand the intricacy and steps taken by the Complainant before different courts of law from 29.09.2020 till date.

4. The Complainant Contents:

PROLOGUE/ BACKGROUND:

That Kundlas Loh Udyog, is filing the said complaint through Sh. Rajiv Singla, authorized representative of the firm, who has been authorized vide resolution to sign, institute, verify swear affidavits, suits, complaints, appeal and other proceedings to protect the interest of Kundlas Loh Udyog and to engage counsel(s)/Advocate (s)/ representatives (s). The complainant firm is filing the said representation in terms of the **judgement passed by**



Rajiv Singla



HIMACHAL PRADESH ELECTRICITY OMBUDSMAN
SHARMA SADAN, BEHIND KEONTAL COMPLEX, SHIMLA-171002
 Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

Hon'ble H.P. High Court in COPC No. 485 of 2025 and HPERC in Petition No. 285/2025. The complainant/applicant company is a consumer under the Electricity Act, 2003 i.e. Section 2 sub-Section 15 and the respondents are distribution licensee under Section 2 sub-section 17 of the Electricity Act, 2003. The complainant company is also a consumer under Section 3 (d) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulation 2013. The respondents/non-applicants have failed to execute the orders passed by the Hon'ble Ombudsman in Case No. 38 of 2021 in true spirit.

1. Facts of the Case

Date	Event	Annexure
29.09.2020	The complainant had approached the Hon'ble Ombudsman against the orders dated 20.08.2020 passed by the Forum in complaint no. 1453/2/19/020. The said representation was disposed by the Hon'ble Ombudsman quashing the orders passed by the Forum on 05.03.2021.	C1
27.11.2021	The complainant approached the Himachal Pradesh Electricity Regulatory Commission vide petition No. 31 of 2021 regarding non-compliance of the orders passed by the Ombudsman, which was disposed with liberty.	C2
	The respondents approached the Hon'ble High Court of Himachal Pradesh vide CWP 7255 of 2021, challenging the orders passed by the Hon'ble Ombudsman, while the court issued an interim stay orders in the process.	
27.11.2021	The Commission disposed the petition in view of the stay orders issued in CWP No. 7255 of 2021 with liberty to either of the parties to approach in future.	C2
05.07.2024	The Hon'ble High Court dismissed the CWP No. 7255 of 2021 affirming the orders passed by the Hon'ble Ombudsman.	C3-C4
	When the attempts to seek compliance of Ombudsman did not realize, the complainant again approached the Commission while filing for revival of earlier non-compliance petition vide filing no. 285 of 2025 for re-initiating the matter of non-compliance proceedings u/s 142 of the Electricity Act, 2003	
16.05.2025	The complainant also approached the Hon'ble High Court vide CMPMO No. 224 of 2025. The Hon'ble High Court vide judgement dated 16.05.2025, vide which the Hon'ble Court ordered that the respondents will not insist for the payment of bills to the extent of amount claimed by the petitioner. But he respondents still did not comply with the orders passed in the CMPMO. The complainant thus filed	C5



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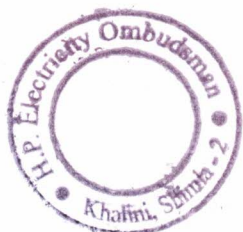
	COPC No. 485 of 2025 for initiation of contempt proceedings.	
30.05.2025	The complainant wrote letter dated 30.05.2025 to the respondents to issue fresh bill in terms of the orders in the CMPMO No. 225 and also COPC No. 485 of 2025, highlighting the issue in the instant representation among other issues.	C6
30.05.2025	The respondent wrote letter dated 30.05.2025 clarifying his stand.	C7
02.06.2025	The complainant wrote another letter on the remaining issues that remained to be satisfied, which also consisted of the issue in the present grievance.	C8
04.06.2025	The Hon'ble High Court, disposed the Contempt Petition COPC No. 485 of 2025 in terms of order dated 04.06.2025. The respondents had refunded to the complainant a sum of Rs. 77,58,933/- against the amount of Rs. 1,26,72,570/- claimed by the complainant towards the amounts due from the respondent vide his letter dated 30.05.2025. The part amount of interest is still remained to be refunded/ adjusted. The Hon'ble Court thus granted liberty to the complainant to file appropriate proceedings in appropriate court of law, qua issue of interest.	C9
17.06.2025	The Commission also vide its orders dated disposed the non-compliance petition, granting liberty to the complainant to approach the Ld. Ombudsman in case the complete amount as per Ombudsman orders is not released.	C10
04.07.2025	The complainant prefers the instant representation.	

2. Details of the Grievance:

2.1 That the complainant is aggrieved by the non- payment of interest by the respondents on the sum due as a consequence of the orders dated 05.03.2021 passed by the Electricity Ombudsman in Case No. 38 of 2021. The para 2 of the I-Section of the order specifically states as below:

"2. The respondents are directed to pay simple interest to the Complainant in line with provisions under clause 5.7.3 of the Supply Code, 2009 w.e.f. 05.09.2015 and 19.07.2017 for Rs. 51,00,000/- and Rs. 25,06,341/- respectively within a period of 21 days from the date of issue of this order but not later than 26.03.2021 positively."

2.2 That as per orders of the Ombudsman the order was to be complied by 26.03.2021 positively. The complainant's claim worked out to Rs. 1,53,65,274/- which included the sum of Rs. 76,06,341/- deposited during the proceedings partially at the time of proceedings before the CGRF and partly thereafter at the time of proceedings before the Hon'ble Ombudsman. Out of the sum of Rs. 1,53,65,274/- pending at the time of conclusion of proceedings before the Hon'ble Ombudsman, only a sum of Rs. 76,06,341/- was refunded



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and adjusted in the bills issued to the complainant. The balance sum of Rs. 77,58,933/- was further withheld by the respondents upto 02.06.2025.

2.3 That the respondents did not pay simple interest for withholding the sum of Rs. 77,58,933/- for the period 26.03.2021 to 02.06.2025, which is delay of more than four years, which the complainant is seeking in this representation.

2.4 That the present representation is maintainable in terms of the liberty granted by the Commission in its orders in 285 / 2025 dated 17.06.2025 and also the liberty granted by the Hon'ble High Court in COPC No. 485 of 2025.

3. Grounds/ Contentions of the Complainant:

Feeling aggrieved and dissatisfied by the less refund given to the complainant, the complainant is left with no other option/ remedy but to file the present representation on the following grounds:

3.1 That once the final orders in case no 38 of 2021 were passed and which was to be complied by 26.03.2021 positively, the entire sum of Rs. 1,53,65,274/- became absolute, whether principal or interest as per clause 5.7.3 of the Supply Code, 2009. Out of the said amount the respondents only paid a part amount of Rs. 76,06,341/- during the proceedings before the Ombudsman, while the balance remained to be paid and was assailed by the respondents before the Hon'ble High Court vide CWP No. 7255 of 2021. The Hon'ble High Court dismissed the petition while affirming the orders passed by the Ombudsman. Even after the judgement dated 05.07.2024, the respondents did not care to make the payment to the complainant for almost one year.

3.2 That the respondents are responsible for their act of delaying the payment which was due to the complainant on 26.03.2021 which was actually made after 4 years and 3 months, and which is a very long period. It is also obvious that since the respondents chose to assail the orders passed by the Ld. Ombudsman, the risk of the failure of litigation lies purely on the shoulders of the respondents and they are liable to any further liability/ damage in the form of interest on the delay in making the payment to the complainant as is applicable to refunds on overclaimed amount from the consumers.

3.3 That the respondents had the choice of complying with orders passed by the Ld. Ombudsman by 26.03.2021 and still assail the said orders on the issues of their dissatisfaction, which would have prevented any the interest to accumulate any further. But, on the contrary, the respondents kept the money with themselves and are therefore liable to pay interest on the same.

3.4 That the Orders passed by the Ld. Ombudsman did not absolve the respondents from interest on any further delay than the date of compliance. It is obvious that the any delay in refund will further incur cost in terms of settled rate of interest.

3.5 That it is a settled law and the issue has been adjudicated by the High Court of Himachal Pradesh that interest is the right of the consumers as it has also been held in terms of the judgement in CWP 7255 of 2021 which further relies on the judgement in CWP No. 2100 of 2021 in the case of M/s HPSEBL versus HPSEBL.

3.6 That the act of the respondents in litigating the matter and not complying has added to the complainant's cost of litigation without any fault on the part of the complainant. Merely, the allowance of differential interest which the complainant is seeking to be settled in this representation is also far less than the cost of repeated litigation incurred by the complainant.

3.7 That the order passed by the Ld. Ombudsman already specifies the provision under clause 5.7.3 of the Supply Code, 2009, in line of which the interest has to be calculated. Therefore, even the rate of interest doesn't call for any further interference.

3.8 That the complainant has a justifiable case in the interest of natural justice, which does not call for any modification of the original order dated 05.03.2021, and the matter only pertains to proper execution of the said orders.

Prayer

In view of above the complainant prays as below:





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- a) To direct the respondents to pay the balance amount due to him towards interest on the amount that remained unpaid to the complainant on 26.03.2021, in terms of the orders passed by the Ld. Ombudsman in Case No. 38 of 2025;
- b) To direct the respondents to pay further interest on the remaining amount of Rs. 49,13,637/-, still remaining to be paid after 02.06.2025 in line with the interest rates provided in clause 5.7.3 of the Supply Code, 2009 till the time it is actually paid in totality;
- c) To direct the respondents to compensate the complainant towards cost of the complaint amounting to Rs. 20,00,000/-.
- d) To Call for the record of the case.
- e) Any other or further orders which this Hon'ble Ombudsman may deem fit and proper, in the facts and circumstances of the case may kindly be passed in favour of the complainant company and against the respondent's /distribution licensees.

5. Case called, the matter was heard for admissions on 04.09.2025. The Authorized Representative for the Complainant sought adjournment through an application dt.04.09.2025 under the hand of Id. Counsel Sh. Manik Seithi sent through an Advocate Sh.Tawarsu who was sent to attend the matters as per said communiqué on behalf of the Complainant.

6. Since, it was a matter of admission only, in order to avoid further delay in the initiation process of proceedings, the matter was discussed both with the Id. Counsel for Respondents as well as Id. Advocate who was deputed to attend the matters as per said communiqué on behalf of the Complainant. Accordingly, the matter was admitted to the extent of initiation of proceedings with directions to the Respondent Board to submit reply on or before 12/09/2025 with a copy of reply to the Complainant and Rejoinder if any, to be submitted by the Complainant immediately thereafter. Accordingly, the case was listed for final arguments on dated 16/09/2025.

7. Case called, the matter was heard. The Respondent Board submitted reply on 16.09.2025 in the court room which was taken on record.



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The Complainant Representative and the Id. counsel for Complainant did not submit any Rejoinder rather preferred oral arguments. To have an overview on the reply submitted by the Respondents, the same also needs to be reiterated as under in totality to have composite view of both submissions and subsequent response.

8. The Respondent Contends (Reply):

Reply on behalf of the respondents to the complaint filed by the complainant under Regulations 28(1)(b) of the HPERC (CGRF and Ombudsman) Regulations, 2013.

Preliminary submissions:

1. That the present complaint is not maintainable in the eyes of law.
2. That there exists no cause of action in favour of the complainant and against the respondents.
3. That the directions of the Id. Ombudsman dated 05.03.2021 in Case No. 38 of 2021 and the subsequent directions of the Hon'ble High Court in COPC No. 485/2025 dated 22.05.2025 have already been duly complied with by the Respondent-Board. A compliance affidavit has also been filed before the Hon'ble High Court. Hence, no further interference is warranted by this Id. Ombudsman.
4. That the complainant has suppressed material facts before this Id. Ombudsman and, therefore, the complaint as filed is liable to be dismissed at the very threshold.

Reply on Merits:

1. That the contents of the relevant paras, insofar as they pertain to matters of record, are not denied. However, the remaining averments, being contrary to record, are wrong and denied.
2. That as per the order of this Id. Forum, the Respondent-Board was directed to pay simple interest to the complainant on the refunded amount in line with Clause 5.7.3 of Supply Code.
3. That the operative portion of the Ombudsman's order in Case No. 38/2021 dated 05.03.2021 reads as follows:

"The Respondents are directed to pay simple interest to the Complainant in line with provisions under Clause 5.7.3 of Himachal Pradesh Electricity Supply Code 2009 w.e.f. 05.09.2015 and 19.07.2017 for Rs.51,00,000/- and Rs.25,06,341/- respectively within a period of 21 days from the date of issue of this order but not later than 26.03.2021 positively"

4. In compliance with the above directions and further orders of the Hon'ble High Court in COPC No. 485/2025 dated 22.05.2025, the Respondent-Board has refunded a sum of ₹77,58,933/- to the complainant in the energy bill raised in May 2025. A copy of the compliance communication issued to the consumer is annexed herewith as Annexure R-1.

Reply to Ground of Representation:

1. It is submitted that the complainant deposited amounts of ₹51,00,000/- on 05.09.2015 and ₹25,06,341/- on 19.07.2017 with HPSEBL. The complainant was refunded the entire principal amount of ₹76,06,341/- in February 2021. In Complaint Case No.



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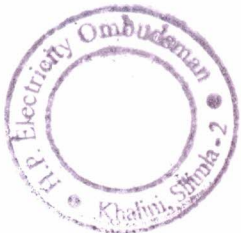
38/2021, the Ld. Ombudsman directed HPSEBL to pay simple interest on these deposits from their respective dates.

2. HPSEBL challenged this order before the Hon'ble High Court of Himachal Pradesh in CWP No. 7255/2021, but the Hon'ble High Court vide judgment dated 05.07.2024 upheld the Ombudsman's order. In compliance with this final judgment, HPSEBL released the interest payment in May 2025, strictly calculated as simple interest from the date of deposit until the date of refund in February 2021.
3. The operative portion of the Ombudsman's order confined the liability to payment of simple interest up to the date of refund. Nowhere did the order direct payment of interest beyond February 2021. The High Court, while affirming the order, did not expand the period of liability. Thus, the liability of HPSEBL stands conclusively determined—refund of principal, already made in February 2021, and payment of simple interest up to February 2021, already complied with in May 2025. Any further claim for interest beyond the date of refund is outside the scope of both the Ombudsman's order and the High Court's affirmation.
4. As per settled law, simple interest means the interest payable on the principal sum for the period during which the money remains with the debtor, without compounding or continuation once the principal is returned. Also, interest is compensatory in nature and is payable only for the period during which the money is wrongfully withheld. Once the principal is refunded, the liability to pay interest ceases. Applying this principle, HPSEBL's liability ended in February 2021, the date when the principal was refunded.
5. It is further submitted that Clause 5.7.3 of the HPERC Supply Code, 2009 deals specifically with cases of incorrect consumer billing and provides for payment of interest in such situations. In the present case, no incorrect bills were ever raised against the complainant. The matter relates instead to refunds against deposits, for which the correct principle would have been payment of simple interest at the prevailing bank rate.
6. It may further be pointed out that the interest rate under Clause 5.7.3 was not constant. Initially, the provision stipulated interest at twice the SBI Short Term Prime Lending Rate (PLR), which was significantly higher than prevailing bank interest. Later, with effect from 2018, Clause 5.7.3 was amended to provide a flat 15% interest rate. Accordingly, for the period from 2015 to 2018, the complainant has already enjoyed an exceptionally high interest rate—much higher than the ordinary bank rate that would otherwise have been applicable. Even for the period from 2018 to 2019, the rate of 15% remained considerably higher than what would have been payable under simple interest at the bank rate.
7. Thus, the complainant has already received a substantially higher benefit than what was legally due, by virtue of Clause 5.7.3 being applied to a case where it was not even directly applicable. The complainant's fresh demand for further interest up to May 2025, despite already having been over-compensated, is wholly misconceived, unsustainable, and amounts to seeking double enrichment.

In view of the above, it is respectfully submitted that HPSEBL has already complied in full by refunding the principal in February 2021 and paying the entire simple interest as directed in May 2025, at rates that have been highly favorable to the complainant. The present claim for any further amount is without merit and liable to be rejected outright.

Prayer

In view of the submissions made hereinabove, it is most respectfully prayed that the complaint/representation of the complainant be dismissed with costs, as being devoid of merit.



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9. The counsel for Respondents and concerned Assistant Engineer appeared in the Court room along with the relevant record on 16.09.2025 and with the mutual Consensus of both the parties, the final arguments were conducted. The gist of the arguments is placed as below for analysis and findings thereof.

10. The Arguments of both during proceedings :

The final arguments were conducted on 16/09/2025 and both the parties were given due opportunity to argue their contentions to the edge.

a. At the very outset, the Id. Counsel for Complainant addressed contentions as stands reiterated above under para-4 of this order and confined arguments to the extent of grievances arose on account of withholding of interest amount of Rs. Rs.77,58,933/- from 26.03.2021 to 02.06.2025 i.e. for a period of more than four years' & interest accrued on the interest amount during the withholding period still remaining to be paid even after 02.06.2025, till the time it is actually paid in totality which resulted from not adhering to the timelines in line with the orders dated 05.03.2021 passed by that Electricity Ombudsman in Case No. 38 of 2021.

b. The Id. Counsel for Complainant put forth his arguments sturdily that vide said order dt. 05.03.2021 of that Ombudsman categorically, the necessary directions were issued to the respondents to pay simple interest to the Complainant in line with provisions under clause 5.7.3 of the Supply Code, 2009





w.e.f. 05.09.2015 and 19.07.2017 for Rs. 51,00,000/- and Rs. 25,06,341/- respectively within a period of 21 days from the date of issue of this order but not later than 26.03.2021 positively.

- c. The Id. Counsel for Complainant further extended the arguments that out of the sum of Rs. 1,53,65,274/- pending at the time of conclusion of proceedings before the Hon'ble Ombudsman, only a sum of Rs. 76,06,341/- was refunded by Feb,2021 and adjusted in the bills issued to the complainant. The balance sum of Rs. 77,58,933/- due towards interest payment as on Feb,21 was further withheld by the respondents upto 02.06.2025.
- d. The Id. Counsel for Complainant and the Authorized Representative for Complainant meticulously emphasized that the said amount of interest of Rs.77,58,933/- which was supposed to be disbursed by Feb,2021 along with the principal amount, was withheld for an additional period of 26.03.2021 to 02.06.2025 i.e. for a period of more than four years and prayed for interest which amounts to Rs. 49,13,637/- for the said withholding period (26.03.2021 to 02.06.2025) on the amount of Rs.77,58,933/- and interest on Rs.49,13,637/- accrued thereafter the withholding period still remaining unpaid even after 02.06.2025 in line with the interest rates provided in clause 5.7.3 of the Supply Code 2009 and to be paid till the time it is actually paid in totality.



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- e. The Id. Counsel for Complainant at last summed up his arguments by saying that the **money is having carrying cost** which appeared quite appealing & innovative in the interest of justice in the instant case and no divergent views were placed by anyone on this quote.
- f. The Id. Counsel for Respondents and Assistant Engineer appeared in the court at the very outset placed arguments that the directions of the Ld. Ombudsman dated 05.03.2021 in Case No. 38 of 2021 and the subsequent directions of the Hon'ble High Court in COPC No. 485/2025 dated 22.05.2025 have already been duly complied with by the Respondent-Board. A compliance affidavit has also been filed before the Hon'ble High Court.
- g. The Ld. Counsel for Respondents further elaborated that the complainant was refunded the entire principal amount of **₹76,06,341/- in February 2021**.
- h. They further added to the arguments that the Ld. Ombudsman in the said order dt. 05.03.2021 directed HPSEBL to pay simple interest on these deposits from their respective dates and HPSEBL challenged this order before the Hon'ble High Court of Himachal Pradesh in CWP No. 7255/2021, but the Hon'ble High Court vide judgment dated 05.07.2024 **upheld the Ombudsman's order**. In compliance with this final judgment, HPSEBL had released the interest payment in **May 2025**,





strictly calculated as per simple interest from the date of deposit until the date of refund in February 2021.

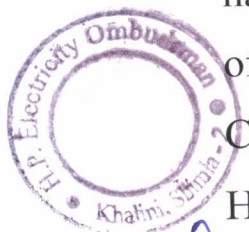
- i. The Id. Counsel for respondent's contrary to the arguments placed by the Complainant's representative, tried to convince the court on the averments that the complainant had already received a substantially higher benefit than what was legally due, by virtue of Clause 5.7.3 being applied to a case where it was not even directly applicable and the complainant's fresh demand for further interest up to May 2025, already having been over-compensated, accordingly.
- j. The Id. Counsel for Respondents and Assistant Engineer advanced their arguments by reiterating the para-3(6) of the reply that the interest rate under Clause 5.7.3 was not constant. Initially, the provision stipulated interest at twice the SBI Short Term Prime Lending Rate (PLR), which was significantly higher than prevailing bank interest. Later, with effect from 2018, Clause 5.7.3 was amended to provide a flat 15% interest rate. Accordingly, for the period from 2015 to 2018, the complainant has already enjoyed an exceptionally high interest rate—much higher than the ordinary bank rate that would otherwise have been applicable. Even for the period from 2018 to 2019, the rate of 15% remained considerably higher than what would have been payable under simple interest at the bank rate.



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- k. The deliberations made by the Assistant Engineer representing Respondent Board and participation in discussions were appreciable. Both Id. Counsel for Respondent Board as well as the Id. Counsel for Complainant & the Authorized Representative for Complainant advanced their arguments to the brim. After hearing both the parties at length, the arguments were closed. The order was kept reserved for examining the contentions and averments made by both the parties during final arguments, to the depth before issuance of final order.
11. The documents annexed and placed on record, arguments advanced by both the parties have gone through in depth.
12. The appropriate Acts, Supply Codes, Tarif Orders have been referred to for clarity.
13. The contentions of the Complainant detailed under **para-‘4’**, response of Respondent Board detailed under **para-‘8’** and Arguments conducted at length & placed under **para-‘10’**, have not been reiterated and may be referred to as cited above. To arrive at legitimate consensus, the findings in the instant matter shall also carry detailed analysis while delving on misconceptions.
14. While going through the reply submitted, it has been observed that the Respondents at the very outset under **para-1 to 3** of their reply have added that the present complaint is not maintainable in the eyes of law as the directions of that Ombudsman dated 05.03.2021 in Case No. 38 of 2021 and the subsequent directions of the Hon’ble High Court in COPC No. 485/2025 dated 22.05.2025 have already





been duly complied with by the Respondent-Board as well as compliance affidavit has also been filed before the Hon'ble High Court. Hence, no further interference is warranted by this Ld. Ombudsman.

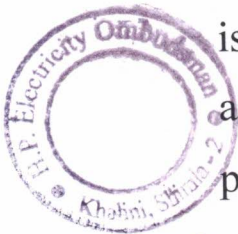
15. Whereas the Complainant under para 2.4 of their representation has specifically mentioned which is read as *"That the present representation is maintainable in terms of the liberty granted by the Commission in its orders in 285 / 2025 dated 17.06.2025 and also the liberty granted by the Hon'ble High Court in COPC No. 485 of 2025."*
16. However, this authority asserts in the interest of justice that in terms of regulation 33(2,3) read with 36(2) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 where the Ombudsman is guided by the principle of natural law of justice and further considering this platform as a judicious bench in the public interest to curb litigations where the instant case has been placed before this authority with a liberty to the Complainant by the superior courts, holds it to be prudent to give an opportunity of being heard as the contentions might carry reasonable arguments in terms of regulation-37 (8) of the Himachal Pradesh Electricity Regulatory Commission (CGRF& Ombudsman) Regulation, 2013, in the interest of justice. Hence, held maintainable to the extent of initiation of proceedings, however, the final outcome shall be subject matter of analysis and findings of proceedings conducted.
17. The case file in Original Complainant No.38/2021 has also been referred to in conjunction with above submissions & documents



placed on record by both the parties, so as to have an inflated view of the case to arrive at judicious platform. For the sake of reference, the operative part of the order dated 05.03.2021 under para-2 of Section-I passed by that Electricity Ombudsman in Case No. 38 of 2021, being spindle of the case, is also recapitulated as under:

“2. The respondents are directed to pay simple interest to the Complainant in line with provisions under clause 5.7.3 of the Supply Code, 2009 w.e.f. 05.09.2015 and 19.07.2017 for Rs. 51,00,000/- and Rs. 25,06,341/- respectively within a period of 21 days from the date of issue of this order but not later than 26.03.2021 positively.”

18. After examining the documents placed on record, submissions made by the Complainant, the reply submitted by the Respondent, Arguments advanced by both the parties, it has been observed that although the Respondents on their part have complied to the said order but again maintained a gap of more than four years by withholding the amount of interest till May, 2025 which was supposed to be disbursed by February, 2021 and the compliance so solicited does not fall in the healthy spirit of said order of that Ombudsman as the gap apparent to the face of record needs to be filled up to arrive at platform of amenability for judicious settlement in terms of provisions and to square out the ‘**Universal**’ proposition i.e *the money is having carrying cost* which was also explicitly emphasized by the Ld. Counsel for Complainant during arguments, needs to be seen in the interest of justice. This authority is also of the considered view that no competent court of law shall allow such gap if it emanates ‘**Universal**’ essence of justice in the public interest.



Signature



19. Further analysis of the operative part of the said order dt. 05.03.2021 as reiterated under **para-17** above, gives meticulously translucent message that within the ambit of above directives, the Respondent was bound to pay interest in respect of the principal amount within 21 days of issuance of this order but not later than 26.03.2021, it further adds to the meaning that any amount left beyond 26.03.2021 shall be construed as an excess amount remained with Respondents and further attracts provisions of clause 5.7.3. Whereas para-3(1) of the reply submitted makes it transparently clear that the entire principal amount of Rs.76,06,341/- was refunded in February 2021. The relevant extract of said order for the sake of reference & clarity is restated as under:

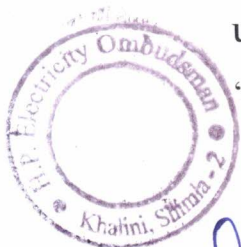
“3. Reply to Ground of Representation:

1. It is submitted that the complainant deposited amounts of ₹51,00,000/- on 05.09.2015 and ₹25,06,341/- on 19.07.2017 with HPSEBL. The complainant was refunded the entire principal amount of ₹76,06,341/- in February 2021.”

20. Further scrutiny of the reply submitted reveals that in compliance to above order of that Ombudsman, the interest in question which was supposed to be paid by February, 2021 remained pending for more than four years and disbursed in May, 2025, confining to the date of refund of principal amount i.e. Feb. 21. The relevant extract of **para-4** under the heading ‘**Reply on Merits**’ as well as para-3(2) under the heading ‘**Reply to Ground of Representation**’ are reiterated as under to have microscopic view on the litigation arose:

‘Reply on Merits’

“ 4. In compliance with the above directions and further orders of the Hon’ble High Court in COPC No. 485/2025 dated 22.05.2025, the Respondent–Board has refunded a sum of ₹77,58,933/- to the complainant in the energy bill raised in May 2025. A copy of the compliance communication issued to the consumer is annexed herewith as Annexure R-1”.



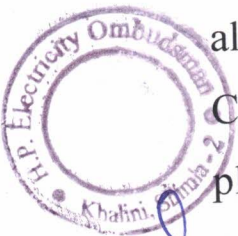


“3. Reply to Ground of Representation:

“HPSEBL challenged this order before the Hon’ble High Court of Himachal Pradesh in CWP No. 7255/2021, but the Hon’ble High Court vide judgment dated 05.07.2024 upheld the Ombudsman’s order. In compliance with this final judgment, HPSEBL released the interest payment in May 2025, strictly calculated as simple interest from the date of deposit until the date of refund in February 2021.”

21. On delving above status of disbursement of amount due, with microscopic eyes and scrutiny of above **Para-19** in conjunction with **Para-20**, this authority draws a considered opinion that the only amount of Rs. 77,58,933/- towards interest payment which was supposed to be released by February, 2021 along with principal amount remained as an excess amount with the respondents’ till its disposal on May, 2025, warrants refund of interest accrued on the excess amount of Rs. 77,58,933/- for the said additional withholding period of 26.03.2021 to 02.06.2025 which as per Complainant computation amounts to Rs. 49,13,637/- and further interest accrued on excess amount of Rs. 49,13,637/- thereafter the withholding period still remaining to be paid even after 02.06.2025 till the time it is actually paid in totality at the rate of interest in consonance with clause 5.7.3 of the Supply Code 2009 and subsequent amendments thereof or the rates fixed in the said period by the Commission thereafter if any.

22. It has been observed from the above analysis that inspite of the amount of Rs. 77,58,933/- having refunded in May, 2025 by the Respondents towards interest amount due in February, 2021, which also explicitly appeared in Order No. 285/25 dt. 17.06.2025 of the Commission as paid amount, still the Hon’ble Commission had been pleased/inclined to give liberty to the Complainant to approach this





authority for complete compliance, construes that there still remained some gap for complete prudent disposal in the interest of justice and resulted in present Representation.

23. In view of above discussions, this authority while scrutinizing relief sought by the Complainant further observes that in respect of interest @15% towards refund claimed, the complainant has overlooked the prospective effect of amended Regulation 26(ii) notified on 20th January, 2022 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) in respect of the period of relief sought in the instant case, and relied upon clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 only in isolation as is apparent from the prayer, which is also reproduced as under:

“4 Amendment of para 5.7.3-In para 5.7.3 of the said code, for the words “interest on the excess amount at twice the SBI’s Short Term PLR prevalent on the first of April of the relevant year” the words “simple interest on the excess amount @15% per annum, or where the rate is fixed by the Commission at the rate so fixed, on daily basis” shall be substituted.”

24. Whereas the complainant has not given cognizance to the rate of interest i.e. 12% for the period falling within the scope of amended Regulation 26a(ii) notified on 20th January, 2022 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) which is read as under:

“12. Amendment of Regulation 26.-

(1) In Sub-clause (ii) of clause(a) of Sub- regulation (2), for the words and figure “15percent”, the words and figure “12 percent” shall be substituted;”

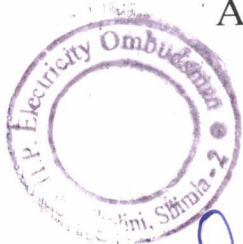


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25. From the above analysis, it is asserted that for the claim of interest on refund sought, needs computation of interest in terms of clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 @15% for the period applicable read in conjunction with Regulation 26(ii) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) notified on 20th January, 2022 @12% for the period falling within the scope of amended Regulation 26a(ii) in terms of above provisions giving due cognizance to the prospective effect of such amendments as both these rates stand fixed by the Commission and cannot be ignored.

26. In terms of foregoing findings, it is established that the interest for withholding period of 26.03.2021 to 02.06.2025 as well as even thereafter till it is finally disposed of, still remains pending at Respondent's end, hence, the contention of the Complainant is **sustained** in the instant case and further after arriving at conclusive assertions of tenable position of the Complainant's contention, the application filed under section 36(1) with due mention of the order dt. 16.05.2025 of Hon'ble High Court, is also allowed to curb further litigation on the following pretext of (recapped) of the said Application :



Para-2 "that perusal of the orders dt. 16.05.2025 of Hon'ble High Court in CMPMO No. 224 of 2025 attached at Annexure C6 of the representation, stated that the respondents shall not insist upon the petitioner for payment of bills to the extent of the amount claimed by the petitioners in terms of orders passed by the Ombudsman and added to the submissions that the complainant had already deducted the remaining sum of Rs.49,13,637/- from the payable amount of bills as per proceedings before the Hon'ble High Court."



27. In view of insistence imposed by the said order dt.16.05.2025 of Hon'ble high court as mentioned by the Complainant above and further prayer of Complainant in above application under the behest of above order of Hon'ble High Court, this Authority in due Cognizance to the '**Hierarchy of Adjudication System**' does not feel any intervention under such circumstances and directs Respondents to consider the amount of Rs. 49,13,637/- as a disputed amount for the billing purpose and not to charge late payment surcharge etc. during the course of proceedings as prayed by the complainant in **para-3** of the said Application with further prayer to **stay recovery of the said amount during pendency of the representation**. However, within the competency of this authority, necessary advice shall be rendered to both Complainant and Respondent in the ensuing part of this order.

28. In view of foregoing findings and analysis, the order is issued as under:

a. The Respondent Board is directed to pay interest on the amount of Rs. Rs.77,58,933/- for the withholding period from 26.03.2021 to 02.06.2025 which the Complainant has computed as Rs. 49,13,637/- and further interest accrued on Rs. 49,13,637/- even after 02.06.2025 till the time it is actually paid in totality with due adherence to the following directives:

i. That the Respondent must authenticate/ascertain the interest calculations of Rs. 49,13,637/- in terms of findings under para-25 above as the same has been done by the Complainant unilaterally at his own end and informed through Application



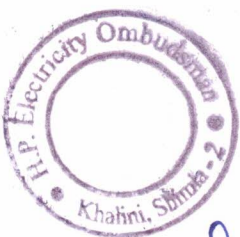


under Regulation 36(1) (*refer findings under para-26,27*) and accordingly necessary credit/debit of said amount be executed.

ii. that the amount of interest be computed in terms of clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 @15% for the period till applicable under this code and thereafter in consonance with the Regulation 26a(ii) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) notified on 20th January, 2022 @12% for the period of rebate falling within the scope of amended Regulation 26a(ii) giving due cognizance to the prospective effect of such amendments. Both Supply Code and Regulation 26a(ii) for above provisions be read in conjunction, not in isolation.

b. The Respondent Board is further directed to pay/adjust the differentials within 30 days excluding holidays from the date of issuance of this order to avert intervention of Regulation 37 (6) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for initiation of appropriate action by the Commission under the provisions of the Electricity Act, 2003 and brunt on individuals.

c. After resorting to exhaustive findings, this authority under the powers drawn in terms of Regulation 37(3)(d)(e) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, in the public interest advises as under:



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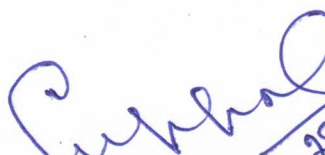
HIMACHAL PRADESH ELECTRICITY OMBUDSMAN
SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002
Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- i. That Respondents are advised to make fast disposal of the legitimate claims to avoid such type of unprecedented additional fiscal brunt.
- ii. The Authorized Representative for Complainant is advised to make all industrialists aware of to stop such practice of self-detection of amount which is not a healthy practice in the public interest. However, in terms of findings under para-27 of this order above, this Authority does not feel any intervention under present circumstances in the instant case.
- d. The Respondent Board in due cognizance to adherence to above time limit is also at liberty to adjust in the ensuing bills in terms of prevalent provisions and amendments thereof.
- e. The stay imposed under para-26&27 in terms of Application under section 36(1) shall stand till pendency of final settlement at Respondent's end in due cognizance to the order dt. 16.05.2025 of Hon'ble High Court in CMPMO No. 224 of 2025.
- f. No cost to litigation.
- g. In terms of above findings, the Complaint filed by M/S Kundlas Loh Udyog, Village Balyana, PO Barotiwala, Tehsil Baddi, District Solan, HP-174103 is hereby disposed of.
- h. The case file is consigned to record room and order is also placed at site as well as conveyed telephonically for the convenience of reference.

Given under my hand and seal of this office.

Dated: 29/09/2025

Shimla


29/09/2025
Electricity Ombudsman