



BEFORE THE ELECTRICITY OMBUDSMAN, HARYANA
Bays No. 33-36, Ground Floor, Sector-4, Panchkula-134109
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(Regd. Post)

Appeal No : 13 of 2026
Registered on : 22.04.2026
Date of Order : 27.04.2026

In the matter of: -

Appeal against the order dated 18.03.2026 passed by CGRF, DHBVN Gurugram in case No 4999/2025

DEEPAK KATARIA
FOR BLUE SMART CHARGE PVT. LTD.
KHASRA NO. 1087,942,283 VILLAGE BASAI,
GURUGRAM,HARYANA.

Appellant

Versus

1. The XEN/OP Divn. City, DHBVN, Gurugram, Haryana
2. SDO/OP, Sub Division, Sector-37, DHBVN, Gurugram, Haryana

Respondent

Before:

Shri Rakesh Kumar Khanna, Electricity Ombudsman

Present on behalf of Appellant:

Shri B.P. Aggarwal

Present on behalf of Respondents:

Shri Munish Wadhwa, SDO

ORDER

A. Shri Deepak Kataria For Blue Smart Charge Pvt. Ltd., Khasra No. 1087,942,283 Village Basai, Gurugram, Haryana has filed an appeal against the order dated 18.03.2026 passed by CGRF, DHBVNL, Gurugram in case No. 4999 of 2025. The appellant has submitted as under:

1. That the present appeal is being by the Appellant against the order dated 18/03/2025 passed by the Hon'ble CGRF in Appeal No. DH/CGRF/4999/2025. Copy of Order dated 18/03/2025 is enclosed herewith as ANNEXURE A-1.
2. That the brief facts of the case are as given below :-
 - i) That the Complainant is one of the owner of the premises no. Khasra No. 1087, 942, 283 Village Basai , Gurugram, Haryana and along with the other owners namely Sh. Dharampal, Rajbala, Reenu Kataria, Sukhpal Singh and has entered in to a licenses Agreement with Blu Smart Charge Pvt. Ltd. on 22/08/2022 and was effective from 20th Oct. 2022. Copy of the said agreement is enclosed herewith as ANNEXURE A-2.
 - ii) That Blu Smart Charge Pvt. Ltd has entered in to an agreement with the respondent no.2 and an electricity connection vide its no. 1757434166 was energies on 26.12.2022 as per bill and as per the sanctioned load of the Appellant was 850 KW/KVA with the contract demand of 496.7 KW/KVA.
 - iii) That the connection installed in the name of Blu Smart Charge Pvt. Ltd was disconnected by the respondent on 22.05.2025 due to non- payment of the bill of Rs. 12,95,131/- and at that there was security deposit of Rs.8,50,000/-

lying with the respondents as the same was paid at the time of taking the connection.

- iv) That Blu Smart Charge Pvt. Ltd has vacated the premises and hence the Appellant approached the respondent to settle the bill after adjusting the security deposit by the company, so that there will no outstanding dues against the premises. The respondent has served a bill of Rs. 17,18,149/- issued on 05/01/2026 to the Appellant, the Appellant requested the respondent to adjust the security deposit and LPSC and received the balance payment but the same was denied by the respondent. Copy of the bill of Rs. 17,18,149/- issued on 05/01/2026 enclosed herewith as ANNEXURE A-3.
- v) That despite the request of the Appellant no action was taken by the respondent to issue the revised bill after the adjustment of security deposit but when the Appellant repeatedly visited the office of the respondents, the respondents informed to the Appellant they have not added an amount of Rs.32,51,621/- towards the fixed charges against the regd. Consumer from the date of connection till the date of disconnection and the regd. Consumer is liable to pay the aforesaid amount.
- vi) That when the Appellant informed the respondents that the regd. Consumer has vacated the premises and the company is no more in the premises and it was the duty of the respondents to issue the correct bill but they have failed to raise the correct bill to the regd. Consumer and hence the Appellant is not liable to pay the bill and the respondents can recover any pending amount from the regd. Consumer and not from the Appellant.
- vii) That there was no privity of contract of the respondents with the Appellant for supply of the electricity and hence the respondent cannot demand the pending bill from the Appellant. Moreover, there was deficiency on the part of the respondents as the respondents have not charged the fixed charges despite the facts that there was some load revision some years before the date of connection and at that time also they have not checked the bill, for which the Appellant is not responsible.
- viii) That since the respondent has raised a wrong bill and hence the Appellant challenged the bill by filing a complaint before the Hon'ble CGRF through its no. 4999/2025 and in response to the complainant the respondents have stated that the fixed charges were Rs.39,31,891/- and not Rs.32,51,621/- and now the final payable amount is Rs, 46,65,250/-. Now the respondents have charged the fixed charges on 1000 KVA, whereas the load was never sanctioned for 1000 KVA and filed the reply before the CGRF that the Appellant is liable to pay Rs, 46,65,250/-. Copy of the reply along with details are enclosed herewith as ANNEXURE A-4.
- ix) That the regd. Consumer Blu Smart Charge Pvt. Ltd. has approached NCLT and the procedure for insolvency has already started and estate date of closure of insolvency resolution process is likely to be close on 15/07/2026, the respondent should approach the NCLT and file the claim before the NCLT regarding any pending bill but the respondent has not approached the NCLT and demanding the money from the Appellant illegally and arbitrarily. These

facts were also informed to the Hon'ble CGRF. Copy of the intimation for insolvency process is enclosed herewith as ANNEXURE A-5.

- x) That without considering the submission of the Appellant that there was deficiency of service on behalf of the respondents or the respondents have connived with the regd. Consumer and has not raised the fixed charges and now instead of charging from the regd. Consumer demanding the money from the Appellant illegally and arbitrarily but without considering the submission of the Appellant the appeal of the Appellant was dismissed by the CGRF vide order dated 18.03.2026.
3. Aggrieved from the order dated 18.03.2026 passed by the Hon'ble Forum the Appellant has challenged the order on the following ground besides the other ground: -

GROUND

- (a) Because the order passed by Hon'ble Forum is against the rules and regulation and Electricity Act, 2003 and various circular issued by the DHBVN and order passed by the Hon'ble HERC.
- (b) Because the Hon'ble Forum failed to considered the facts that the respondents are required to raised the correct bill as per the tariff provision every month but the respondents failed to raised the correct bill for more than 2 years for which the Appellant is not responsible.
- (c) Because the Hon'ble Forum failed to considered the facts that before enhancement of the load the respondents were checked that there is no outstanding pending dues against the connection but the respondents have not care to check that the bills were correctly raised or not or there was any outstanding dues or not.
- (d) Because the Hon'ble Forum failed to considered the facts that it is the Appellant who approached to the respondents to adjust the security deposit and accept the current bill and on repeatedly asking the respondent to accept the current demand, the respondents issued the illegal bill with fixed charges for more than 2 years
- (e) Because the Hon'ble Forum failed to considered the facts that the demand raised by the respondents for the period 2022 is barred by limitation under the limitation act and also under Section 56(2) of the Electricity Act, 2003.
- (f) Because the Hon'ble Forum failed to considered the facts that the respondents have charged the fixed charges without checking the contract demand.
- (g) Because the Hon'ble Forum failed to considered the facts that the it is the respondent who is required to file the claim before the NCLT and recovered the pending bill from the regd. Consumer.
- (h) Because the Hon'ble Forum failed to considered the facts that there was no privities of contract between the respondents and the Appellant and hence the respondents cannot demand any bill amount pertaining against the other consumer from the Appellant.
4. That Appellant has not filed any other similar Appeal either before this Hon'ble Court or any other Courts in India.

Prayer:-

In view of the above facts and circumstance it is most respectfully prayed that this Hon'ble Commission may kindly be pleased to: -

- a. To set aside the order dated 18.03.2026 passed by the Hon'ble CGRF in Appeal No. DH/CGRF/4999/2025 and accept the appeal of the Appellant, quashed the demand Rs, 46,65,250/- raised against Blu Smart Charge Pvt. Ltd from demanding from the premises of the Appellant or from the Appellant, in the interest of justice.
 - b. Direct the respondents to file the claim of Rs, 46,65,250/- raised against the Blu Smart Charge Pvt. Ltd from Interim Resolution Professional, in the interest of justice and;
 - c. Any other or further order which this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case in favour of the Appellant in the interest of justice.
- B.** The appeal was registered on 22.04.2026 as an appeal No. 13 of 2026 and accordingly, notice of motion to the Appellant and the Respondents was issued for hearing the matter on 27.04.2026.
- C.** Hearing was held on 27.04.2026 as scheduled. Both the parties were present through VC.

Decision

This appeal is directed against the order dated 18.03.2026 passed by the Corporate Grievance Redressal Forum (CGRF), DHBVN, Gurugram, in Complaint No. DH/CGRF/4999/2025, whereby the Forum upheld the supplementary demand of ₹46,65,250/- raised by the respondents against the Appellant (landlord/owner of the premises).

The demand arose due to non-application of fixed charges for the HT connection (Account No. 1757434166, sanctioned load 850 KW/KVA, contract demand 496.7 KW/KVA, category HTS-NDS) released for an EV charging station in the name of the tenant, M/s Blue Smart Charge Pvt. Ltd. The connection was energized on 26.12.2022 and disconnected on 22.05.2025 on account of non-payment. The tenant vacated the premises, and Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) has been initiated against the tenant company, with proceedings expected to conclude in or around July 2026.

The Appellant approached the respondents to close the account by adjusting the security deposit of ₹8,50,000/-, but the licensee subsequently raised the demand on account of unbilled fixed charges for the period the tenant occupied

the premises. The Appellant contests the demand primarily on the grounds of no privity of contract, deficiency in service by the licensee in not raising correct monthly bills as per applicable tariff, limitation under Section 56(2) of the Electricity Act, 2003, and the overriding obligation of the licensee to pursue the primary debtor through the CIRP mechanism.

Hearing was held on 27.04.2026 at 11:30 A.M. The SDO (OP), Sector-37, Gurugram, appeared on behalf of the respondents and relied upon the landlord's undertaking given at the time of release of the connection. The counsel for the Appellant highlighted the tenant's vacation of the premises, the ongoing CIRP proceedings, and the respondents' failure to file a claim before the Resolution Professional (RP). The SDO could not provide a satisfactory reply regarding the status of filing of the claim in the CIRP proceedings.

After careful consideration of the pleadings, documents on record, submissions made during hearing, and the applicable legal provisions, this Authority records the following findings:

- i. **Secondary / Contingent Liability of the Landlord** As per the prevailing instructions of DHBVN read with the HERC (Electricity Supply Code) Regulations, when a tenant applies for a separate electricity connection in the same premises, the landlord is required to furnish an undertaking (duly witnessed) stating that he shall clear all liabilities in case the tenant defaults and vacates the premises without paying the dues. This undertaking creates a secondary or contingent liability on the owner of the premises for recovery of outstanding electricity dues, particularly for the purpose of account closure or issuance of a no-dues certificate. However, this liability is secondary in nature and does not absolve or substitute the primary liability of the registered consumer (the tenant). The premises carry the charge for dues, but the registered consumer remains the principal debtor.
- ii. **Deficiency in Service by the Licensee** The respondents admittedly failed to apply and bill the fixed charges - a core component of the applicable HT tariff - for more than two years despite the sanctioned load, contract demand, and regular billing cycles. This constitutes a clear deficiency in service and systemic lapse on the part of the HT Billing/AMR Section, Internal Audit Party (IAP), Ledger Keeper/Revenue Section, Supervisory Officers (SDO), and the JE (area in-charge). The discovery of the under-billing only after the tenant vacated the premises reflects a failure in the fiduciary duty of the licensee to raise correct bills every month as per the tariff orders and to monitor defaults in a timely manner. The Appellant cannot be held fully responsible for the consequences of such prolonged negligence.

- iii. **Overriding Effect of IBC, 2016** Electricity supply dues constitute **operational debt** under Section 5(20) of the IBC. Section 238 of the IBC gives overriding effect to its provisions notwithstanding anything inconsistent in any other law. The respondents, as Operational Creditor, are duty-bound to file their claim before the Resolution Professional in the CIRP proceedings against the tenant company. Bypassing the IBC mechanism and attempting to recover the entire amount solely from the secondary liable landlord risks inequity and potential extinguishment of the claim under the “clean slate” principle upon approval of the resolution plan. The IBC framework must be given primacy for recovery from the primary debtor.
- iv. **Powers of the Ombudsman** Under the HERC (Forum and Ombudsman) Regulations, 2020 (as amended in 2022), particularly Regulation 3.18(iii) (requiring interim deposit for maintainability of appeal) and the Ombudsman’s wide powers to pass appropriate orders for effective redressal of grievances, this Authority is empowered to issue directions that balance the interests of revenue protection, consumer protection, accountability of the licensee, and compliance with the overriding provisions of the IBC.

DIRECTIONS

In view of the aforesaid findings, and to balance the secondary liability of the Appellant under the undertaking, the primary recovery through the CIRP mechanism, the licensee’s deficiency in service, and the need to protect the legitimate revenue of the Nigam without permitting double recovery, the following directions are issued:

A. Financial & Recovery Mechanism

- i. The Appellant shall, within 15 days from the date of receipt of this order, deposit 40% of the disputed demand (₹46,65,250/-, after adjusting the existing security deposit of ₹8,50,000/- and any other admissible credits or payments already made) as an interim deposit under protest. This amount shall be treated as additional security and shall carry interest at the prevailing Bank Fixed Deposit rate applicable to DHBVN consumers from the date of deposit until final adjustment or refund.
- ii. The Respondents (DHBVN) are hereby directed to file their claim as Operational Creditor in Form B (along with all requisite documents, proof of debt, and particulars) before the Resolution Professional (RP) of M/s Blue Smart Charge Pvt. Ltd. for the full outstanding amount (₹46,65,250/- plus applicable LPSC/surcharges), after completing all requisite formalities, within 15 days from the date of receipt of this order or by the exact last date for submission of claims as specified by the Resolution Professional / in the public announcement, whichever is later.

A copy of the claim filing along with the acknowledgment/receipt from the RP shall be submitted to this office within 15 days of filing. Any delay beyond the stipulated period shall be explained in writing with cogent reasons, and non-compliance shall be viewed seriously.

- iii. Any amount realized by DHBVN from the CIRP proceedings (whether under the approved resolution plan as per Section 30 or from liquidation proceeds under Section 53 of the IBC, if it reaches that stage) shall be adjusted against the total demand. After such adjustment:
 - a) If the recovery from CIRP fully covers the balance, the 40% interim deposit (along with accrued interest) shall be refunded to the Appellant forthwith.
 - b) If the recovery is partial, the Appellant's liability shall be limited strictly to the uncovered gap only (after accounting for the security deposit and the interim deposit). No double recovery shall be effected in any manner.
- iv. Pending the conclusion of the CIRP proceedings (expected around July 2026), no coercive action - including disconnection of supply, blacklisting of the premises, or any recovery proceedings against the Appellant or the premises — shall be taken by the respondents, subject to compliance with the direction for 40% interim deposit.

B. Administrative Accountability for Lapses

The Managing Director, DHBVN, shall initiate a high-level departmental inquiry into the revenue negligence and systemic failures that led to the non-billing of fixed charges for several years. The inquiry shall specifically examine the lapses on the part of:

- Revenue Section (CA/Ledger Keeper) - for failure to reconcile billing with the sanctioned contract demand as per Sales Manual instructions;
- Supervisory Officers (SDO) - for lack of adequate oversight over HT billing and default monitoring;
- Internal Audit Party (IAP) & AMR Cell - for failing to detect the non-application of fixed charges during annual/periodic audits from 2022 to 2025;
- JE (Area In-charge) - for negligence in monitoring the default and failing to disconnect the supply in time before the arrears exceeded the security deposit.

A Compliance and Action Taken Report (ATR), detailing the chargesheets issued and responsibility fixed, shall be submitted to this office within 60 days from the date of receipt of this order.

The order dated 18.03.2026 passed by the CGRF stands **modified** to the extent indicated in this Final Order.

This order upholds the secondary/contingent liability of the landlord arising from the undertaking while giving due primacy to the overriding provisions of the IBC for recovery from the primary debtor (tenant). It simultaneously addresses the deficiency in service and internal lapses on the part of the licensee, ensures accountability, and provides a clear, time-bound mechanism for recovery and adjustment of dues without causing undue hardship to the Appellant or permitting double recovery. The directions are issued in the interest of justice, equity, and efficient resolution of the dispute.

The instant appeal is disposed of accordingly.

Both the parties to bear their own costs.

File may be consigned to record.

Given under my hand on 27th April, 2026.

Sd/-
(Rakesh Kumar Khanna)
Electricity Ombudsman,
Haryana

Dated:27.04.2026

CC-

Memo No.291-300/EO/HERC/Appeal No. 13 of 2026 Dated:27.04.2026

To

1. Shri Deepak Kataria For Blue Smart Charge Pvt. Ltd., Khasra No. 1087,942,283 Village Basai, Gurugram, Haryana (bpagarwal57@gmail.com)
2. The Managing Director, DHBVN, Hisar (Email md@dhbvn.org.in).
3. Legal Remembrancer, Haryana Power Utilities, Panchkula (Email lr@hvpn.org.in).
4. The Chief Engineer Operation, DHBVN, Delhi (Email ceopdelhi@dhbvn.org.in).
5. The Chief Engineer (Administration), Dakshin Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, Vidyut Nagar, Hisar, Haryana -125005 (Email cehr@dhbvn.org.in)
6. Chief Auditor, DHBVN, Vidyut Sadan, Vidyut Nagar, Hisar, Haryana -125005 (Email ceauditor@dhbvn.org.in)
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