

**M/s Valco Industries Ltd (Unit-II)**  
**Vs**  
**Himachal Pradesh State Electricity Board Ltd and Ors**

---

**BRIEF FACTS OF THE CASE –**

- (1) Complaint has been filed under regulations 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013;
- (2) The Complainant M/s Valco Industries Ltd (Unit-II), Village Katha, PO Baddi, District Solan (HP)-173205, bearing consumer ID 100012002939 is a Large Industrial Power Supply (LIPS) category consumer of the Respondent HPSEBL;
- (3) The Complainant is aggrieved by the action of the Respondent to raise upon it monetary demand of Rs 6,75,000/ vide Demand Notice dated 27.06.2023 (**Annexure C2**) on account of past period arrears for the period from January 2019 to January 2023. These arrears arise from the 2<sup>nd</sup> amendment to Supply Code, 2009 notified in 2018 which became effective from 01.04.2019. On non-payment, this amount was later raised by the Respondent as 'sundry' in bill dated 16.02.2024 (**Annexure C4**) and as 'arrears' in bill dated 11.03.2024 (**Annexure C6**).

**COMPLAINANT –**

- (4) That on 21.03.2016, the sanctioned or permanent Contract Demand of the Complainant was 600 kVA;
- (5) Thereafter on 16.12.2017 it applied for temporary reduction of contract demand from 600 kVA to 400 kVA and on 28.03.2018 it applied for temporary revision of contract demand from 400 kVA to 525 kVA (**Annexure C1**). These revisions were reflected in the electricity bills up to March 2024;
- (6) That the Respondent has raised upon it monetary demand of Rs 6,75,000/on account of past period arrears for the period from January 2019 to January 2023- vide Demand Notice dated 27.06.2023 (**Annexure C2**). This amount was later raised by the

Respondent as 'sundry' in bill dated 16.02.2024 (**Annexure C4**) and as 'arrears' in bill dated 11.03.2024 (**Annexure C6**);

- (7) The amount raised as 'arrears' in bill dated 11.03.2024 (**Annexure C6**) has been paid in full vide two (2) receipts dated 20.03.2024 (**Annexure C7 Colly**);
- (8) That the demand is not maintainable on grounds that the Respondent ignored the letter dated 25.10.2018 (**Annexure C10**) by the Chief Engineer (Comm.);
- (9) That it could not understand and interpret the provisions of the Supply Code on revision of contract demand;
- (10) That the demand is not maintainable as it is hit by limitation under section 56(2) of the Electricity Act, 2003 and the Limitation Act, 1963;
- (11) That Respondent should have allowed the temporary revision of contract demand for at least 6 months in the financial year from FY 20 to FY24;
- (12) Complainant has placed on record the provisions of 1<sup>st</sup> Amendment to Supply Code done in the year 2014 (**Annexure C8**) and 2<sup>nd</sup> Amendment to Supply Code done in the year 2018 (**Annexure C9**) and referred to a 'Note' under the 2<sup>nd</sup> Amendment;
- (13) In its Rejoinder Complainant has stated that the judgements of the Apex Court cited by the Respondent does not fit in the present matter and the Respondent cannot be allowed to take shelter under these;
- (14) In a re-hearing done in matter on 18.03.2024, Complainant submitted written arguments, repeating reiterating and confirming its previous statements;
- (15) The Complainant has sought relief in terms of quashing of Demand Notice dated 27.06.2023 (**Annexure C2**) for Rs 6,75,000/.

**RESPONDENT –**

- (16) On the other hand, the Respondent HPSEBL while relying on provisions of code 3.10 of the HP Supply Code in its Reply has submitted as follows:-

- (17) That the action of the Respondent to raise impugned Demand Notice is in accordance with the provisions of the Supply Code and the Complainant is liable to pay the same. It is the duty of the Respondents to give effect to the Supply Code and these Regulations override the contracts in accordance with ratio of the Hon'ble Apex Court in the matter PTC India Ltd Vs Central Electricity Regulatory Commission (2010) 4 SCC 603;
- (18) That the electricity dues raised upon the Complainant are of statutory nature which the distribution licensee has right to recover on detection of bona-fide mistake in accordance with law settled by Hon'ble Apex Court in Assistant Engineer (D1) Ajmer Vidyut Vitaran Nigam Ltd and Anr Vs Rahamutullah @ Rahamujulla (2020) 4SCC 650 and M/s Prem Cottex Vs Uttar Haryana Vijli Vitran Ltd in Civil Appeal No7235 of 2009 decided on October 5, 2021. Thus the action of the Respondent is not hit by the limitation under section 56 of the Electricity Act, 2003. Further, under section 17(1) (c) of the Limitation Act, 1963, limitation period begins from the date the mistake is discovered for the first time;
- (19) That change of law through amendments is done after following due process and after inviting objections from stakeholders and publication in official gazette. Thus there is no requirement of prior notice to raise the impugned demand. Further, this is not under challenge here by the Complainant. Monetary demands of statutory nature cannot be held to be illegal. Moreover;
- (20) That the Complainant must submit fresh application for temporary revision else contract demand will revert to permanent demand;
- (21) That the complaint being devoid of merits be dismissed.

**ORDER**

- (22) Forum has examined the relevant provisions of the Electricity Act, 2003, various relevant Regulations framed by the HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of HPERC (Consumer Grievances Redressal Forum and

Ombudsman) Regulations, 2013 and the HP Electricity Supply Code, 2009 (or the Supply Code, 2009 or the Supply Code or the Code) including amendments thereto notified by the HPERC, record and facts along-with pleadings of the parties. We have heard and re-heard the parties at length. The considered opinion of the Forum has been gathered after examining and analyzing fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;

- (23) Forum observes that the Complainant has raised the instant grievance which is mainly in terms of code 3.10 of the Supply and its applicability upon the Complainant. This Code 3.10 provides for temporary revision of Contract Demand and the temporary revisions are accordingly regulated in accordance with code 3.10;
- (24) On examination of the HP Supply Code, 2009, Forum observes that the concept of Temporary Contract Demand was first introduced by way of first amendment to Supply Code vide HP Electricity Supply Code (First Amendment) Regulations, 2014, notified by the HPERC on 11.06.2014. Thus, it becomes evident that before the notification of this amendment, the Contract Demand and its revisions were all of Permanent nature;
- (25) So as to enable the Forum to separate chaff from grain, it is inclined to first briefly understand whether any distinction exists between Temporary and sanctioned Contract Demand (or Permanent Contract Demand). This distinction becomes evident from the provisions of the Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014 regulating the Temporary Contract Demand which read as follows—

**Quote**

.....

.....

***“3.10 Temporary revision of contract demand.—***

.....

.....

*(c) that the consumer shall give a notice of at least one month to the licensee before revising the contract demand under this mechanism. Even though the*

*consumer shall not be required to obtain any sanction from the licensee for change in contract demand under this mechanism, he, so as to avoid the disputes, shall ensure that the notice(s) for such revision are duly served by him upon the licensee through registered post or through courier service or is delivered by hand against signed receipt therefor;*

.....

*(e) that in cases where the consumer gets his contract demand reduced permanently, the limit under clause (a) shall be considered with respect to such reduced contract demand, but such reduction shall not be considered to have been made under this mechanism and the time gap of 3 months as per clause (b) shall be reckoned from the date from which the demand was last revised under this mechanism.*

.....

**Un-Quote**

- (26) Thus from bare perusal of the foregoing provisions on Temporary revision of Contract Demand, it becomes clear to the Forum that there does exist a distinction between Temporary and sanctioned Contract Demand (or Permanent Contract Demand). Further while provisions in the Code on Temporary Contract Demand do not necessitate any sanction by the Respondent, however, Permanent Contract Demand is sanctioned by the Respondent in accordance with the original provisions of the Supply Code, 2009 notified on 26th May, 2009 and this further necessitates Agreement between parties to effect the changes in the contractual terms;
- (27) Forum, before proceeding in the matter, considers it necessary and expedient to refer to relevant amendments to the HP Electricity Supply Code, 2009 enacted by the HPERC governing the revision of Contract Demand. The Supply Code, 2009 was notified by the HPERC on 26th May, 2009. Later Amendments were carried out from time to time. This Forum mainly refers to amendments pertinent in the instant matter with regard to 'Temporary' revision of Contract Demand. The said amendments were first introduced by the HP Electricity Regulatory Commission (or the HPERC) vide Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 notified on 11th June, 2014. In this amendment Code 3.10 was inserted. Thereafter, amendment to this Code 3.10

was carried out by the HPERC vide the Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018 notified on 31.07.2018, wherein certain provisos to Code 3.10 were introduced. For the sake of clarity, relevant extracts of these amendments are reproduced here-in-after-

**(A) Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014 -  
Quote**

.....

.....

**10. Insertion of para 3.10.-** In the said Code, the following para 3.10 shall be inserted; namely:-

**“3.10 Temporary revision of contract demand.-**

*The consumers to whom two part tariff is applicable shall be entitled to revise their contract demand within the total sanctioned contract demand without surrendering their lien of the total sanctioned contract demand, subject to the following condition- 10*

*(a) that the consumer shall not reduce the contract demand to lesser than 50% of the total sanctioned contract demand subject to a further condition that the contract demand shall not be reduced below the lowest limit of contract demand as per the tariff category (or any sub-category thereof) applicable to him;*

*(b) that the consumer shall not be entitled to revise the contract demand more than twice a year subject to the condition that the time gap between two successive revisions shall not be less than 3 months;*

*(c) that the consumer shall give a notice of at least one month to the licensee before revising the contract demand under this mechanism. Even though the consumer shall not be required to obtain any sanction from the licensee for change in contract demand under this mechanism, he, so as to avoid the disputes, shall ensure that the notice(s) for such revision are duly served by him upon the licensee through registered post or through courier service or is delivered by hand against signed receipt therefor;*

*(d) that in cases where the contract demand is reduced under this mechanism, such reduced contract demand shall be applicable for billing purposes; and*

*(e) that in cases where the consumer gets his contract demand reduced permanently, the limit under clause (a) shall be considered with respect to such reduced contract demand, but such reduction shall not be considered to have been made under this mechanism and the time gap of 3 months as per clause (b) shall be reckoned from the date from which the demand was last revised under this mechanism.*

**Illustration.-** If a consumer who is having sanctioned contract demand of 10 MVA temporarily revises the contract demand to 6 MVA w.e.f. 01.08.2014 under this mechanism but gets his sanctioned contract demand permanently reduced to 8 MVA w.e.f. 01.09.2014, he shall have to pay charges based on 6 MVA contract demand till 31.10.2014 (i.e. till



*the expiry of 3 months period from the date at which the contract demand was last revised i.e. from 01.08.2014). However, if the contract demand is to be reduced permanently to lesser than 6 MVA (say 4 MVA as on 01.09.2014), the demand charges would have been based on a contract demand of 4 MVA during the period upto 31.10.2014.”*

.....

.....

**Un-Quote**

**(B) Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018 dated 31.07.2018-**

**Quote**

.....

.....

**3. Amendment of para 3.10:-** For the sign “;” occurring after clause (a) of para 3.10 of the said Code, the sign “:” shall be substituted and thereafter the following provisos shall be inserted, namely:-

*“Provided that the consumer shall not be eligible for temporary revision of contract demand to a value other than the full sanctioned contract demand for a total period of more than six months in one financial year:*

*Provided further that in cases involving part period of a year e.g. if a consumer takes the connection, or the consumer gets his permanent sanctioned contract demand revised, during the middle of a year, the adjustments shall be made on pro-rata basis.*

**Note:** *The Distribution Licensee shall, immediately after the publication of the Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018, in the Rajpatra, Himachal Pradesh, issue suitable detailed procedural instructions within the framework of the above provisions to its field units for the smooth implementation of aforesaid provisions w.e.f 01.04.2019.”*

.....

.....

**Un-Quote**

- (28) Further, before proceeding to determine the question of validity of applicability of Supply Code 2nd Amendment to the Complainant, this Forum also considers it pertinent to briefly delve into the working of the Contract Demand (in KVA/ or MVA). It is apparent that the Contract Demand is a provision of the Electricity Supply Code and the Tariff Orders passed by the Ld HPERC. It is a Demand (in KVA/ or MVA) contracted by the consumer at the time of its original application for connection, which during the life of the connection, is also subjected to permissible revisions strictly in accordance with the provisions of the Supply Code, 2009. This

Contract Demand is applied for by the consumer and sanctioned by the licensee, inter-alia with the underlying purposes of billing of the consumer, determining its Standard Supply Voltages at the time of connection, etc. The original Contract Demand is of 'Permanent' nature and the subsequent revisions at the option of the consumer may be of 'Permanent' or of 'Temporary' nature which are regulated in accordance with the provisions of the Supply Code and further applied to billing etc in accordance with the provisions of various Regulations / Codes enacted and Tariff Orders passed by the HPERC. This Contract Demand (in KVA or MVA) serves as a reference vis-à-vis the actual maximum Demand (in KVA or MVA) recorded on the meter during the times of electricity consumption and is applied on the billing of the consumer or other matters, as may be prescribed by way of HPERC Regulations / Supply Code / Tariff Orders. When the Supply Code regulates the revision of Contract Demand (in kVA or MVA), the concerned consumer is expected to keep a strict vigil on its electricity consumption patterns by managing the peaks of its maximum Demands (in KVA or MVA), simultaneously also keeping a vigil and managing / revising its Contract Demand (in kVA or MVA) from time-to-time so as to keep both in synchronization and consequently the optimization of its electricity bills;

- (29) The Supply Code 1st Amendment dated 11.06.2014 stipulated various conditions for Temporary revision of Contract Demand (in KVA or MVA) and these were first introduced here by insertion of Code '3.10 Temporary revision of contract demand'. This Code was later amended vide Supply Code amendment dated 31.07.2018, when certain Provisos were added to it. This 1<sup>st</sup> amendment, 2014 provided for Temporary contract demand, limits of revision, number of revisions in a year, gap between successive revisions etc. The subsequent amendment of Supply Code (ie Supply Code 2nd Amendment) notified on 31.07.2018 which introduced the 'Provisos'



to Code 3.10 inter-alia provided for total period of 6 months of Temporary contract demand (in KVA or MVA) in a 'Financial Year'. This 2nd amendment came into force from 01.04.2019. It is pertinent to mention here that with regard to ibid 'Temporary revision of contract demand', the key word in the said proviso / amendment is the 'financial year'. In accordance with the Companies Act a financial year generally starts from 01st of April and ends on 31st of March. Accordingly, it becomes clear from the said amendments that on 31st March of each financial year, the 'Temporary Contract Demand', as existing previously shall expire. From the 1st of April of the subsequent financial year, the Contract Demand would get reset to the Permanent Contract Demand (in KVA or MVA) unless the Temporary Contract Demand is re-applied by the consumer. Therefore, in our considered view, a consumer would be required to apply afresh for re-revision of its Temporary Contract Demand (in KVA or MVA) in any new financial year, else a previously existing Temporary Contract Demand shall automatically get reset to the last sanctioned Permanent Contract Demand (in KVA or MVA) which was also initially / previously applied for by the consumer and allowed or deemed allowed by the distribution licensee;

- (30) From the foregoing implications of express provisions of 'Code 3.10 Temporary revision of contract demand' as prescribed in the Supply Code 2nd Amendment, 2018, this Forum holds that after 01.04.2019, i.e. when the financial year starts, any monetary demand (in Rs) raised by the Respondent HPSEBL based on a Temporary Contract Demand (in KVA or MVA) existing prior to 01.04.2019, can only be with regard to electricity consumption done prior to 01.04.2019. For electricity consumption occurring after 01.04.2019, such monetary demand (in Rs) shall necessarily have to be based on Temporary Contract Demand (in KVA or MVA), if such is reapplied by the consumer. In absence of such re-application, this monetary demand

shall automatically get based upon Permanent sanctioned Contract Demand which was last applied. This process shall follow for each / new financial year;

- (31) In the facts and circumstances of the case, Forum safely sums up that any Temporary Revision of Contract Demand (in kVA or MVA) that may have existed in the past before 01.04.2019 shall cease to remain effective beyond 01.04.2019. Therefore, the consumer shall have to apply afresh for a 'Temporary Contract Demand' beyond 01.04.2019, if it so requires and in absence of such revision or re-application, the only Contract Demand that automatically survives in accordance with the Supply Code 2nd Amendment is the 'Permanent Contract Demand' (in kVA or MVA) on the basis of which further billing shall be done or any monetary demand shall be raised by the distribution licensee. When concerned consumer does not apply afresh or does not revise its Contract Demand after 01.04.2019, then any Temporary revision of Contract Demand or 'Temporary Contract Demand' (in KVA or MVA) sought before 01.04.2019 or before start of a financial year, shall deem to get reset to the sanctioned 'Permanent Contract Demand' (in KVA or MVA) from this date onwards, till such time a fresh application for Temporary revision of contract demand or 'Temporary Contract Demand' (in KVA or MVA) is not made by the Complainant consumer and/or allowed by the Respondent. This process shall follow for each financial year beyond 01.04.2019 and accordingly all matters of electricity billing shall be dealt vis-à-vis this 'Permanent Contract Demand' (in KVA or MVA) under such a condition.;
- (32) Now coming to the instant complaint, it is undisputed that the sanctioned or Permanent Contract Demand of the Complainant is 600 kVA and that the financial year starts from 1<sup>st</sup> of April of a year and ends on 31<sup>st</sup> March of the subsequent year;
- (33) In the instant complaint, at the outset it is observed by the Forum that the Complainant has failed to set-up the legal basis of its arguments

in the complaint. In the opinion of the Forum, the Complainant has misconceived the fact that the ibid Supply Code 2nd Amendment notified on 31.07.2018, has wrongly been applied to it. The reason for this stem from the misconception that revised / applied Temporary Contract Demand (in kVA or MVA) before the enactment of ibid Supply Code 2nd Amendment, 2018, should have been continued and should not have been reset to the value of sanctioned Contract Demand at the start of a financial year;

- (34) Further as stated on record by the Complainant, on 16.12.2017 it had applied for temporary revision (reduction) of contract demand from 600 kVA to 400 kVA and on 28.03.2018 it had applied for temporary revision (increase) of contract demand from 400 kVA to 525 kVA (**Annexure C1**). Both these revisions pre date the Supply Code 2018 2<sup>nd</sup> amendment (notified on 31.07.2018 and effective from 01.04.2019). As also observed, the monetary demand raised by the Respondent is for the period from January 2019 to January 2023. Accordingly, the monetary demand from May 2019 (based on consumption of April) shall certainly be regulated under this amendment. Thus, from the explanation of the express provisions of the Supply Code regulating the Temporary revision of Contract Demand, the said temporary revisions of Contract Demand made by the Complainant, shall cease to remain effective from 01.04.2019 and here onwards the Complainant shall be required to apply afresh for the temporary revisions of Contract Demand including its start and end dates and its duration etc as and when it so requires in every financial year, which the Complainant failed to do due to its own fault and ignorance. Complainant has mis-appreciated and erred on the fact that it was the choice of the Complainant to revise its Contract Demand as and when and for the duration it so required and that this choice is not that to be exercised by the Respondent on its behalf. Thus in absence of temporary revisions of Contract Demand by the Complainant, from 01.04.2019 onwards, the sanctioned or

Permanent Contract Demand has formed the basis for billing of the Complainant;

- (35) Forum further observes that while the Complainant had temporarily revised its Contract Demand before the advent of Supply Code 2<sup>nd</sup> amendment, 2018 and thereafter, it had failed to revise or had not applied afresh for this 'Temporary Contract Demand' even after the effectiveness of the Supply Code 2nd Amendment from 01.04.2019, consequently, the Respondent HPSEBL raised the impugned monetary demand to the Complainant vide Demand Notice (**Annexure C-2**) on account of Supply Code 2nd Amendment, 2018 based on its Permanent Contract Demand. Therefore, the belief of the Complainant to this effect that the application of the amended provisions of the Supply Code, 2009, vide Supply Code 2nd Amendment, 2018, have wrongly been made applicable to it, is wrong, far-fetched and not tenable in face of express provisions of the Supply Code and is out-rightly rejected by the Forum as being grossly misplaced;
- (36) Therefore, it can safely be concluded that the Supply Code 2nd Amendment, 2018 by the Respondent HPSEBL is beyond doubt applicable to the Complainant and it is its own fault of not re-applying for a fresh 'Temporary Contract Demand beyond 01.04.2019 or after the start of the financial years arising after 01.04.2019. Because the Complainant failed to re-apply afresh for Temporary Contract Demand beyond 01.04.2019 or after the start of the subsequent financial years thus, any benefit of six months as is being argued by the Complainant cannot and shall not become available to the Complainant;
- (37) The Complainant has further contested that the Respondent did not comply with the instructions in Chief Engineer (Comm) letter dated 25.10.2018 (**Annexure C10**). These instructions were issued pursuant to Note given in the 2<sup>nd</sup> Amendment reproduced in paras supra. The Forum rejects the contention of the Complainant for the

sole reason that such letter is in terms of instructions to field units by the Respondent and not to the consumer Complainant and the Complainant lacks locus standi to raise contention on it;

- (38) Forum also finds the arguments of Complainant as untenable, that it could not understand and interpret the provisions of the Supply Code on revision of contract demand. It is a settled proposition that ignorance of law is no excuse. Complainant has not laid any challenge whatsoever to the said 2<sup>nd</sup> Amendment and therefore the fact remains undisputed that change of law through amendments is done after following due process. It is safely assumed that the present 2nd Amendment, 2018 to Supply Code was effected by the HPERC after inviting public objections / suggestions etc from all stake holders. The said amendments after enactment were notified and published in official gazette for the knowledge of public/stake holders at large. It is safely presumed and expected that all stake holders / public including the Complainant are well aware of the said amendment. Thus, the argument that the Complainant could not understand and interpret the provisions of the Supply Code on revision of contract demand is patently wrong, misplaced and is accordingly rejected. Monetary demands based upon Statutes, Regulations/ Codes notified by the HPERC and on Tariff Orders passed by the Ld HPERC, cannot be held to be illegal. Thus pleas of the Complainant are naive, flimsy and devoid of any substance and not tenable in facts and circumstances narrated above;
- (39) The present complaint under adjudication, relates mainly to the undeniable fact and circumstances, where the Complainant has failed to adhere to the amended provisions of Supply Code, 2018 by not keeping vigil on the change in law. As already discussed in paras supra that change in statute through a due process of law, especially when the amendments are made public, does not require its intimation to the consumer or the Complainant separately, neither is it imperative upon the Respondent HPSEBL to inform its consumers

individually. We further observe that there is no statutory requirement under the Supply Code with regard to prior intimation by the HPSEBL to the consumers of amendments made in law. The Forum is of considered view that it is incumbent upon the consumer /Complainant to exercise due diligence and to keep strict vigil especially in respect of change in law being affected by the HPERC through an open transparent due process. Thus Complainant ought to have appropriately revised its 'Contract Demand' in pursuance to the Supply Code 2nd Amendment, 2018. The 'Note' at the end of Code 3.10 of the Supply Code 2nd Amendment, 2018 is merely in terms of issuing of detailed procedural instructions by the 'Distribution Licensee' i.e the HPSEBL to its field units and not to the consumers at large. It is also otherwise impractical and illogical to assume intimation to each and every consumer of amendments which are notified in Official Gazette and uploaded on the website of HPERC for knowledge of consumers at large. Forum accordingly rejects the arguments made by the Complainant in this regard;

- (40) On the argument by Complainant with regard to demand being hit by limitation under section 56 of the Electricity Act, 2003, the Forum agrees with the contention of the Respondent and holds that the Hon'ble Apex Court has already settled the law in this regard vide Judgment dated 18.02.2020 in Civil Appeal No 1672 of 2020 titled Assistant Engineer (D1) Ajmer Vidyut Vitaran Nigam Ltd and Anr Vs Rahamutullah alias Rahamujulla (2020) 4SCC 650 and in M/s Prem Cottex Vs Uttar Haryana Vijli Vitran Ltd in Civil Appeal No7235 of 2009 decided on October 5, 2021. In the instant matter, Forum observes that in Hon'ble Apex Court Judgment dated 18.02.2020 in Civil Appeal No 1672 of 2020, which has further relied upon other Apex Court cases while interpreting section 56(2) of the Electricity Act, 2003, it has been held that section 56(2) does not put any limitation for raising the past dues or arrears, if not discovered earlier due to any mistake. Liability to pay arises on



consumption of electricity and obligation to pay when bill is raised. Electricity charges would become first due only when bill is issued by the licensee to the consumer quantifying therein the charges to be paid. Accordingly, the Hon'ble Court has held in clear terms that limitation starts from the date the Bill/ Demand is raised which is when the sum becomes first due and it is from this date that the period of limitation of 2 years as provided in section 56(2) of the Electricity Act shall start. Thus the action of the Respondent to raise the impugned demand dated 27.06.2023 (**Annexure C2**) is not hit by the limitation under section 56 of the Electricity Act, 2003. Further, Forum also does not find any tenable basis in the argument by the Complainant that the said impugned demand is hit by limitation under the Limitation Act, 1963. In the considered opinion of the Forum, the Limitation Act shall become applicable in the matter only after the limitation provisions in the Electricity Act, 2003, being a special Act, cease to remain applicable. Forum accordingly also rejects the arguments made by the Complainant with regard to limitation;

- (41) It is evident from the observations made here-in-above, that the instant grievance pertains to non-application /non-revision of Contract Demand (in kVA or MVA) on Temporary basis i.e Temporary Reduction of Contract Demand after 01.04.2019 by the Complainant. This resulted in Permanent Contract Demand (in kVA or MVA) automatically becoming the basis for raising of impugned monetary demand by the Respondent HPSEBL;
- (42) Thus Forum does not find any force in the arguments of the Complainant that amended provisions of Code 3.10 of Supply Code 2nd Amendment, 2018 have wrongly been made applicable to it. From the observations made above, it is established and safely held that that the ibid 2nd Amendment, 2018 is effectively applicable to the Complainant as to the other consumers;

- (43) The Forum holds that no benefit of six (6) months as provided in Code 3.10 of the Supply Code Amendment Regulations, shall be available to the Complainant till the time the Complainant applies afresh for the Temporary Contract Demand, which in this case has not been done by the Complainant;
- (44) Forum also finds from record that monetary demand raised by the Respondent includes the consumption month from December 2018 to December 2022 or the billing period from January 2019 to January 2023. Forum is constrained to hold that the consumption of the Complainant up to March 2019 (raised in bill of April 2019) or the billing period up to April 2019, is not regulated under the Supply Code 2018 2<sup>nd</sup> amendment with regard to Temporary revision of contract demand. However, the consumption from April 2019 or impugned monetary demand from May 2019 onwards is certainly regulated under this amendment. Thus, the impugned monetary demand, raised by the Respondent which includes the demand period from January 2019 to April 2019 and pertains to consumption months from December 2018 to March 2019 (4 months) cannot be allowed by the Forum. To raise this monetary demand for the period from January 2019 up to April 2019 on the basis of financial year criteria as contained in Supply Code 2nd Amendment, 2018 tantamount to giving retrospective effect to the Code, which is held by this Forum to be wrong;
- (45) Accordingly, Forum sets aside part of the impugned monetary demand (**Annexure C2**) for the period from January 2019 to April 2019 i.e for consumption months from December 2018 to March 2019, which the Forum finds as not having been raised in terms of the said Supply Code, 2009 2<sup>nd</sup> Amendment. Forum directs the Respondent that any amount received in excess from Complainant against the impugned monetary demand dated 27.06.2023, erroneously so billed, shall be refundable along with Interest in

accordance with code 5.7.3 of the Supply Code, 2009 and amendments thereto, in the next electricity bill;

- (46) Further, the Forum does not observe any illegality in the impugned monetary demand dated 27.06.2023 (**Annexure C2**) raised by the Respondent for the period from May 2019 onwards up to January 2023 i.e for consumption months from April 2019 to December 2023, which this Forum finds as having been raised in terms of Code 3.10 of the amended provisions of the Supply Code, 2009 2<sup>nd</sup> Amendment and thus Forum uphold the same. Forum further directs the Respondent that up to the point for which late payment surcharge has not been recovered by the Respondent, the Complainant shall also be liable for payment of Interest per ibid code 5.7.3, from the time when this amount became first due but was erroneously not billed and upto the time of its actual payment by the Complainant;

On aforesaid terms, the complaint is is **Partly Allowed** and is disposed accordingly.

Parties are left to bear their own costs.

Order is announced before the parties present today on 28.03.2025 at Shimla in open Forum.

Certified copies of this Order be supplied to the parties. The complaint along with this Order be consigned to record room for safe custody.

**Date: 28.03.2025**

**Shimla:**

--Sd--  
**Vikas Gupta**  
(Member)

--Sd--  
**Tushar Gupta**  
(Chairperson)

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI,  
SHIMLA-9.**

**Complaint No.: - 1454/202404/05**

**Date of Admission: - 01.04.2024**

**Quorum: - Er. Tushar Gupta, Chairman  
Er. Vikas Gupta, Member**

**In ref:-**

M/s Valco Industries Ltd. (Unit-II)  
Village Katha P.O Baddi.  
Distt. Solan (HP).  
Distt Solan HP-173205

**Complainant**

**V/s.**

HPSEBL & Others.

**Respondents**

1. The Executive Director (Pers.),  
HPSEBL, Vidyut Bhawan,  
Shimla-171004.
2. The Sr. Executive Engineer,  
Electrical Division, HPSEBL  
Baddi Distt Solan.
3. The Assistant Engineer,  
Electrical Sub-Division  
HPSEBL, Baddi,  
District Solan (H.P.)

**Respondents**

**Final hearing:- 18.03.2025.**

**Counsels:-**

Complainant 1. Sh. Rakesh Bansal (Authorized Representative)

Respondent 1. Sh. Rajesh Kashyap, Advocate

**Date of Decision:- 28.03.2025**

**Notice**

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI  
SHIMLA-171009.**

**No. CGRF/Complaint No. 1454/2024/05**

**Dated:-**

M/s Valco Industries Ltd. (Unit-II)  
Village Katha P.O Baddi.  
Distt. Solan (HP).

**Complainant**

**V/s.**

HPSEBL & Others.

**Respondents**

**Complaint No. 1454/2024/05**

1. The Executive Director (Pers.),  
HPSEBL, Vidyut Bhawan,  
Shimla-171004.
2. The Sr. Executive Engineer,  
Electrical Division, HPSEBL  
Baddi Distt Solan.
3. The Assistant Engineer,  
Electrical Sub-Division  
HPSEBL, Baddi,  
District Solan (H.P.)

**Respondents**

The Certified copy of final order dated 28.03.2025 passed by the Hon'ble Forum in the aforesaid complaint is enclosed find herewith for further necessary action at your end please. The compliance be reported/ intimated within one month after the receipt of order in the office.

**DA:-As above.**

Secretary,  
Consumers Grievances Redressal Forum,  
HPSEBL, Kasumpti Shimla-9.