

		Date	Month	Year
1	Date of Receipt	15	12	2025
2	Date of Registration	15	12	2025
3	Decided on	28	01	2026
4	Duration of proceeding	44 days		
5	Delay, if any.	--		

BEFORE THE CONSUMER GRIEVANCE REDRESSAL FORUM
B.E.S. & T. UNDERTAKING

(Constituted under section 42(5) of the Electricity Act 2003)

Ground Floor, Multistoried Annex Building,
BEST's Colaba Depot
Colaba, Mumbai - 400 001
Telephone No. 22799528

Grievance No. HVC-018-2025 dtd. 15/12/2025

Liberty Oil Mills Ltd. Complainant
V/S
B.E.S.&T. Undertaking Respondent

Present Coram : Hon'ble Chairman (CGRF) : Mr. M.S. Gupta
Hon'ble Independent Member : Mrs. A. A. Acharekar
Hon'ble Technical Member : Mr. J.W. Chavan

On behalf of the Complainant : Mr. B.R. Mantri

On behalf of the Respondent No.1 : BES&T Undertaking

1. Mr. G.S. Bains, DEHVC
2. Mr. R.R. Bandal, Supdt. HVC

Date of Hearing : 19/01/2026

Date of Order : 28/01/2026



Judgment

- 1.0 The Complainant is M/s. Liberty Oil Mills Limited having High Value Consumer A/c No.10162000 with meter No. 2000917 located at Amerchand Mansion, D wing, Madam Cama Road, Colaba, Mumbai-400039, (herein after mentioned as "the said premises"). The core dispute is regarding unilaterally increased Contract Demand (CD) by the Respondent from 200 KVA to 427.13 KVA in March 2018 without any application, consent or supplementary agreement, resulting in seven years of excess billing. Refund for two years period from February 2023 to January 2025 was given to the Complainant but refund for the previous period from March 2018 to January 2023 was denied by the Respondent.
- 2.0 Complainant has submitted that he had a valid agreement with the Respondent for Contract Demand of 200 KVA and billing was done correctly till February 2018. However, without any application, consent or supplementary agreement, the Respondent unilaterally changed the Contract Demand to 427.12 KVA from March 2018. This erroneous Contract Demand remained in the billing system until February 2025 resulting in excess billing for nearly seven years.
- 2.1 The Complainant further stated that Respondent has given refund for two years period from April 2023 to March 2025 to the Complainant but refund for the previous period from March 2018 to March 2023 was denied by the Respondent, by wrongly invoking Section 56(2) of the Electricity Act, which applies only for recovery from consumers and not for refund of excess amount. Respondent has also failed to pay statutory interest as mandated under Section 62(6). The Complainant has claimed that changing Contract Demand without written consent violates MERC Regulations and the Supply Code. He has also given reference of Hon'ble Supreme Court and Hon'ble APTEL judgements to establish his claim that the Contract Demand cannot be altered without written consent, tariff must be strictly implemented and excess recovery must be refunded with interest, without limitations.
- 2.2 The Complainant has prayed to refund the entire excess amount collected due to wrong contract demand from April 2018 to March 2025 and ensure that the refund includes interest as mandated under Section 62(6) of Electricity Act, 2003. Also, to declare Respondents action of unilaterally changing the Contract Demand illegal and contrary to MERC Regulations.
- 3.0 Respondent has submitted that the Complainant is M/s. Liberty Oil Mills Limited, a HV Consumer bearing Consumer A/c No.101-620-000. The original installation was in the name of Jardine Fleming having a connected load of 341.71 KW and Contract Demand of 427.13 KVA. In the year 2003, Consumer requested a Change of name along with the revision of the Contract Demand to 200 KVA which was effected from April 2004. On 31.03.2018, a HV Potential Transformer (PT) flashover occurred at Amarchand DSS, which was bypassed to temporarily restore the Complainant's electric supply. On 07.04.2018, a new Current Transformer (CT), Potential Transformer (PT) and a new electric meter were installed for the Consumer. While updating the new energy meter, the billing system calculated the Contract Demand based on sanction load (Contract Demand = Sanction load / 0.8) as per system logic, which affected in revised Contract Demand to 427.13 KVA, based on the existing sanction load of 341.71 KW and the Consumer was billed with higher Contract Demand till February 2025.



- 3.1 The Respondent alleges that the Complainant has regularly paid electricity bill based on the revised Contract Demand and did not raise any grievance regarding the excess billing for prolong period till February 2025. Only after Eight years, the Complainant raised the grievance for incorrect Contract Demand, which was revised in March 2025 to 187.5 KVA. The Respondent agrees that similar other complaints were received and the Contract Demand was revised for the same inspite of request not received from the Consumers in the past. The Respondent claims that the discrepancy could have been rectified promptly, if the Consumer had approached immediately upon receipt of higher/incorrect billing. The Respondent claims that Section 56(2) of the Electricity Act, 2003 bars on recovery of two years by parity with MERC CGRF Regulation 2020 Clause 7.8 under which the Forum can't admit grievances filed after two years from Cause of action, therefore refund beyond the immediate two years is impermissible. The Respondent also argues that Section 62(6) of the Electricity Act, 2003 is about tariff category and not applicable here. Further, the Respondent has given reference of previous Order of the CGRF case No. A-484/2023, wherein the request for recovery of tariff difference from the Consumer involving refund of Demand charges was dismissed by the CGRF on the ground of the claim being time barred under Clause 7.8 of the MERC(CGRF & EO) Regulations, 2020.
- 3.2 In response to the Complainant citing Section 62(6) of the Electricity Act, 2003, the Respondent claims that the provisions pertain to recovery on account of any deviation in tariff and since the applicable tariff was correctly applied, the Section 62(6) is not applicable in this case, which was communicated to the Consumer earlier vide letter dated 22.08.2025.
- 3.3 The Respondent has made prayer to consider the fact that the statutory limitation period of two years also applies in this case and refund of excess contract demand charges amounting to Rs. 18,02,224.67 for the period of 2 years has already been given to the Consumer.
- 4.0 From the rival submission of the parties following points arise for our determination with findings thereon for the reasons to follow :

Sr. No.	Points for determination	Findings
1	Whether the Complainant is entitled for refund of entire period from April 2018 to March 2025 and interest for the period of last two years?	Partly Affirmative
2	What Order?	As per final Order

REASONS

- 5.0 We have heard the arguments advanced by both parties and their representatives and have carefully perused the documents submitted in this matter. The central dispute concerns Respondent unilateral and erroneous increase of Contract Demand (CD) from 200 KVA to 427.13 KVA during the meter updating event in April 2018 without any Consumer application, any mutual agreement, any supplementary contract or any written consent. This resulted in approximately seven years of excess billing until the error was corrected in February 2025. The Respondent refunded only two years excess billing amount (for the period from April 2023 to March 2025) and refused refund for the period from April 2018 to March 2023, also denying statutory interest.



- 5.1 The Complainant strongly asserts that the Respondent has violated provisions of the MERC Supply Code, 2021 specifically Regulation 7.6 which depicts as under :

The Distribution Licensee shall revise (increase or decrease) the Contract Demand / Sanctioned Load of the Consumer upon receipt of an application for the same from the Consumer.

The Regulation defines Contract Demand as a parameter mutually agreed between Consumer and Licensee through a valid agreement. Unilateral modification by the Respondent is claimed to be illegal & void. The Complainant argues that no load or CD modification can take place without a formal Consumer application, which was never made. These cited Regulations are correctly aligned with the widely accepted compliance frame work under MERC Supply Code, unilateral modification is prima facie inconsistent with the Code. The Respondent's submission accepts the system changed CD during meter updation, no Consumer application, consent or supplementary agreement exists. On 31.03.2018, PT flashover occurred and on 07.04.2018 Respondent replaced PT/CT/Meter and updated the new meter in their OLCCS System. Thereafter the system auto-recalculated CD as 427.13 KVA based on sanctioned load ($341.71 \div 0.8$). From May 2018 onwards bills reflected CD=427.13 KVA and the Consumer continued to pay higher bill. First formal written complaint was raised on 11.02.2025. Subsequently, BEST revised CD down to 187.5 KVA in March 2025. The Consumer reiterates that Contract Demand is a contractual and statutory parameter that cannot be altered by the Respondent on the basis of system logic or meter data. Technical issues cannot override statutory obligations. The Respondents own record confirms no consent or application for raising CD and the change was system induced during meter replacement. This is inconsistent with MERC Supply Code and excess billing (demand charges & consequential taxes/duties) therefore, stands established.

- 5.2 The Complainant alleges that the Respondent has refunded excess billing amount only for two years period from February 2023 to January 2025, citing section 56(2) of the Electricity Act, 2003. Section 56 of the Electricity Act, 2003 for disconnection of supply for default of payment dictates that-

Notwithstanding anything contained in any other law for the time being in force, no sum due from any Consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supply and the Licensee shall not cut off the supply of the electricity.

He further argues that Section 56(2) deals only with recovery from Consumers, not refunds to Consumers. The Complainant cites Supreme Court judgement Prem Cottage v/s UHBBNL to argue that Section 56(2) does not restrict consumer refund claims. Refund liability arises under Section 62(6) directing the Licensee to refund excess charges with interest at bank rate and no limitation period exists for Consumers refunds. Section 62(6) of the Electricity Act, 2003 for determination of tariff states that-

If any Licensee or Generating company recovers a price or charge exceeding the tariff determined under the Section, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the bank rate without prejudice to any other liability incurred by the Licensee.



The Consumer argues the Section applies squarely since CD is a tariff parameter and forms part of the commission approved tariff framework. The Consumer also asserts the principle that procedural laws cannot override substantive statutory rights and therefore, Respondent cannot use Section 56(2) as a defense against refund obligations under Section 62(6). The Consumer relies on several judicial doctrines for continuing cause of action as wrong billing continues each month until fully rectified and limitation runs afresh. Reference is given for fraud on statute / bad faith exercise of power based on State of Assam & Ors v/s Banshidhar Shewbhagwan & Co. and for Public authorities should not rely on technical limitations to defeat just claims based on Madras Port Trust v/s Himanshu International. He has also attached APTEL Appeal No. 73/2014 claiming that it allowed refund from 2005 though application was filed in 2012. These authorities are used to argue that limitation cannot defeat legitimate refund claim, especially for admitted excess billing. He also cites MERC Orders to demonstrate Contract Demand is part of tariff and not merely the category of use, the Licensee carries full responsibility to correctly apply tariff parameters, any deviation (misapplied CD, billing demand, methodology) constitutes unauthorized charging. Thus, refund under Section 62(6) figures automatically when tariff parameters were misapplied. The Consumer also argues that a Cause of action arose only when the Respondent finally rejected the full refund claim via letter dated 22.08.2025. Therefore, the complaint filed thereafter is within limitation as per the assertion-denial principle recognized in Shaktibhog Foods, Rashtriya Ispat Nigam and Samruddhi Co.Op. Housing Society. The Consumer claims of deficiency in Service, charging Respondent with violation of MERC Regulations, violation of Section 56(2) & 62(6) of the Electricity Act, wrongful enrichment by recovering excess demand charges, failure to pay statutory interest, failure to correct billing for seven years. The Consumer therefore seeks full refund of excess billing from April 2018 to March 2025 along with interest and declaration that Respondents unilateral alteration of Contract Demand was illegal.

- 5.3 The Respondent argues that Section 62(6) applies only to tariff category not to parameters like CD/Billing Demand. The Respondent's internal worksheet computes excess for the whole period (2018-2025), but credits only the last two years refund without interest. The arithmetic v/s relief mismatch is explained by their limitation plea, not by denial of error. Despite acknowledging and over-recovery, the Respondent does not pay interest. The Consumer claims that Section 62(6) mandates interest and that denying interest reverts the error. The Respondent invokes Regulation 7.8 (MERC CGRF & EO Regulations, 2020) to limit relief to two years. Also cites previous CGRF Order (A-484/2023) of the Embassy Centre which applies both Section 56(2) to curb old arrear recovery by utility and Regulation 7.8 to curb Consumer refund claims beyond two years. The Respondent expects CGRF to consider this Forum precedent unless distinguished. The Regulation 7.8 of the MERC CGRF & EO Regulations, 2020 states that -

The Forum cannot admit any grievance unless it is filed within two (2) years from the date on which the cause of action has arisen.

The Complainant relies on Prem Cottage v/s UHBBNL (2021) 11SCC274 to argue Section 56(2) does not bar Consumer Refunds, it constrains coercive recovery by the Licensee for time-barred sums. The Respondent nonetheless uses Section 56(2) together with Regulation 7.8 to restrict retrospective refund. This is the central legal crash. Applying a CD higher than agreed/approved parameter produces excess Demand Charges i.e. price exceeding the tariff determined. That triggers Section 62(6) and obliges refund with interest. The Respondents narrower reading



(tariff category only) is difficult to sustain against the tariff architecture shown in the bills and MERC Orders.

6.0 The Grievance was filed in 2025 i.e. well beyond two years from the Cause of Action. The Complainant filed the grievance on 29.11.2025. This is seven years after the 2018, Cause of action. Therefore, under Regulation 7.8, the forum cannot admit the claim for the period before two years from the filing date, unless an exception applies. The Complainant argues of continuing wrong, cause crystalizing only upon Respondent's final refusal dated 22.08.2025 and statutory refund obligation under Section 62(6). However, CGRF has consistently interpreted 'Cause of Action' in billing cases as the date when the first incorrect bill was raised (Embassy Centre precedent). The Complainant paid bills for nearly seven years without objection and did not find any grievance until 2025. CGRF is a creature of statute with limited jurisdiction and cannot override Regulation 7.8, even for equitable considerations. Section 62(6) mandates refund with interest when refund is admissible, but does not override CGRF's jurisdictional limitations. Accordingly, no exception negating Regulation 7.8 applies. The Forum can allow refund only for the period within two years prior to the complaint since the complaint was filed on 29.11.2025, refund can be allowed only from 29.11.2023 onwards. In fact, the Respondent has already refunded for the period of two years from April 2023 to March 2025. The Complainant has already received the refund admissible within CGRF limitation window. The Respondent has credited refund only for two years and recovered prompt payment discount simultaneously in adjustments. Therefore, a transparent month wise reconciliation with clarifying interest component atleast on the two years sum is in line with Section 62(6), because over recovery is admitted. Eventually, the Respondent can be directed to pay interest at the bank rate on the excess recovery as mandated by Section 62(6) of the Electricity Act, 2003 for the two years period of refund credit.

7.0 In this view of the matter the point No. (1) is answered as partly affirmative and we pass the following order as answer to point No.2.

ORDER

- 1.0 The Grievance No. HVC-018-2025 dtd. 15/12/2025 is partly allowed.
- 2.0 The Respondent shall pay interest at the bank rate of excess recovery as mandated by Section 62(6) of the Electricity Act, 2003 for the two years period of refund credit. The above interest shall be credited within 60 days from the receipt of this Order. In case of delay beyond 60 days, the Respondent shall pay additional interest at the bank rate pro-rata till the date of actual credit.
- 3.0 The Respondent shall review and rectify its billing system controls to prevent auto-revision of CD upon meter replacement or migration without Consumer's written consent and supplementary agreement and file a compliance report before the Forum within 45 days detailing the corrective actions (including IT logic changes and exception alerts).



- 4.0 The Respondent shall recompute and forward an auditable calculation within 30 days to the Complainant, as mentioned in para 5.3 above and refund excess amount if any, recovered beyond SOP compliant computation in the electricity bill of the next billing cycle and compliance report to be filed within 60 days.
- 5.0 Copies of this order be given to all the parties concerned.



(Mr. Jitendra W. Chavan)
Technical Member



(Mrs. Anagha A. Acharekar)
Independent Member



(Mr. Mahesh S. Gupta)
Chairman

