

**(2026) 03 P&H CK 1196**  
**In the Punjab And Haryana At Chandigarh**  
**Case No : Civil Writ Petition No. 5526 Of 2026**

M/S Essen Auto Forge Pvt. Ltd

APPELLANT

Vs

Punjab State Power Corporation Limited And Another

RESPONDENT

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**Date of Decision :** 20-03-2026

**Acts Referred:**

**Citation :** (2026) 03 P&H CK 1196

**Hon'ble Judges :** Jagmohan Bansal, J

**Bench :** Single Bench

**Advocate :** Rajeev Kawatra, Ankit Gaur

**Final Decision :** Allowed

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## Judgement

Jagmohan Bansal, J

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of notice dated 24.09.2025 whereby respondent has raised demand of erroneous payment of interest.
2. The petitioner is a private limited company. It on earlier occasion approached this Court by way of CWP No.25855 of 2018 seeking setting aside of notice demanding electricity charges ₹ 24,87,613/-. The demand was raised by treating its industry as a power intensive unit. This Court vide order dated 05.02.2024 passed in aforesaid writ petition set aside demand notice on the ground that despite declaration of installation of 2 Billet Heaters, the same were not installed. The respondent unsuccessfully preferred Intra-Court Appeal before this Court as well as petition before Hon'ble Supreme Court. The respondents implemented order dated 05.02.2024 after a period of 1½ years and pursuant to which the disputed amount along with interest was refunded. The respondent vide notice dated 24.09.2025 has demanded refund of interest on the ground that order dated 05.02.2024 is silent on the aspect of interest.
3. Learned counsel for the petitioner submits that respondent withheld its money

for more than 7 years. This Court vide order dated 05.02.2024 passed in CWP No.25855 of 2018 allowed writ petition. The respondent preferred Intra-Court Appeal as well as petition before Hon'ble Supreme Court. The respondent was liable to pay interest and rightly paid interest. The respondent has illegally and wrongly raised demand with respect to interest already paid. The interest was paid @ 9% as per Supply Code, 2014 and 2024.

4. Learned counsel for the respondents submits that this Court had not directed to pay interest on the amount to be refunded and Authorities by mistake paid the interest.

5. Heard the arguments and perused the record.

6. From the perusal of record, it is evident that this Court vide order dated 05.02.2024 held that demand of ₹ 24,87,613/- was not sustainable. The amount already deposited was ordered to be adjusted against subsequent consumption charges. The respondent did not adjust excess amount against subsequent consumption charges and unsuccessfully assailed order of this Court by way of Intra-Court Appeal as well as SLP before Hon'ble Supreme Court. The respondent was bound to adjust excess amount towards subsequent charges. Had the payment been adjusted against subsequent charges, the petitioner would have been in a position to utilize its funds. There is no cavil that as per Supply Code 2014 as well as 2024, the respondent is liable to pay interest. The respondent had paid interest in view of Supply Code 2014 and 2024. The respondent discharged its duty in accordance with law, however, at this belated stage, is attempting to recover interest which already stands paid as per law. It is common principle of law that interest is compensatory in nature. The respondent, in any case, was liable to pay interest for withholding lawful money of the petitioner.

7. In the wake of above discussion and findings, this Court is of the considered opinion that present petition deserves to be allowed and accordingly allowed. Impugned demand notice dated 24.09.2025 is hereby set aside.