
(2015) 04 JH CK 0052

In the Jharkhand High Court

Case No : Writ Petition (C) No. 1182 of 2015

Ramkrishna Forging Limited

APPELLANT

Vs

Jharkhand Urja Vitran Nigam Limited and Others

RESPONDENT

Date of Decision : 21-04-2015

Acts Referred:

Electricity Act, 2003 — Section 118, 181(2)(x), 47(4), 50

Citation : (2015) 04 JH CK 0052

Hon'ble Judges : S. Chandrashekhar, J

Bench : Single Bench

Advocate : M.S. Mittal, Senior Advocate and Shilpi John, for the Appellant; Ajit Kumar, Advocates for the Respondent

Final Decision : Allowed

Judgement

S. Chandrashekhar, J.

1. Aggrieved by letter dated 28.02.2015 by which the respondent- Jharkhand Urja Vitran Nigam Limited has raised a demand for additional security amount of Rs. 59,84,482/- and directed the petitioner to pay the same within 30 days failing which the electric supply to the petitioner's unit will be disconnected, the present writ petition has been filed. The petitioner is a company incorporated under the Companies Act which was granted High Tension Connection on 14.04.2004. The electrical connection was energized by 16.04.2004.

2. The learned Senior Counsel for the petitioner submits that the petitioner-Company continued to pay the electricity bill regularly however, the respondent-Nigam has raised a demand for an additional security of Rs. 59,84,482/- without taking into account the amount of interest payable to the petitioner for the security deposit made by the petitioner. It is stated that the petitioner-Company deposited the security amount as directed by the respondent-Nigam time to time and as on 07.07.2008, the total value of the security deposit made by the petitioner-Company stood at Rs. 34,91,250/-. The learned Senior Counsel refers

to Regulation 10.6 of the Electricity Supply Code Regulation, 2005 and submits that the licensee is required to pay interest to the consumer on the security deposit at the prevalent bank rate of RBI. Referring to the demand notice dated 28.02.2015, the learned Senior Counsel submits that the amount reflected in the said notice is apparently not correct in as much as, the amount of interest payable to the petitioner-Company has not been adjusted in the said demand notice. The learned Senior Counsel further refers to the calculation chart vide Annexure-9 and submits that the petitioner has itself made a calculation of interest payable at the prevalent bank rate of RBI.

3. Per contra, Mr. Ajit Kumar, the learned counsel for the respondent-Jharkhand Urja Vitran Nigam Limited submits that the respondent-Jharkhand Urja Vitran Nigam Limited does not dispute the legal position that in view of Clause 10.6 of the Electricity Supply Code Regulation, 2005, the respondent-Nigam is under a duty to pay interest on the security deposit made by a consumer, at the prevalent bank rate of RBI however, the calculation chart given by the petitioner has not been verified by the respondent-Nigam and therefore, the respondent would supply a calculation chart to the consumer, if it is different from the calculation made by the petitioner.

4. As noticed above, the present writ petition was filed seeking a direction upon the respondent-Nigam to pay interest on the security deposit made by the petitioner. The Electricity Act, 2003 is a special enactment which confers power on a distribution licensee to require from a consumer payment of reasonable security as determined by the Regulation. It further provides that the distribution licensee shall pay interest equivalent to the bank rate or more as specified by the concerned State Commission. It is not in dispute that in exercise of power conferred under Section 181(2)(x) read with Section 50 of the Electricity Act, 2003, Electricity Supply Code Regulation, 2005 has been framed. Clause 10.6 of the 2005 Regulation reads as under:

"The Distribution Licensee shall pay interest on the amount of security deposit by the consumer at the rate equivalent to bank rate of Reserve Bank of India."

5. The learned Senior Counsel for the petitioner has referred to a decision of this Court in W.P.(C) No. 1091 of 2006 [M/s. perfect State Electricity Board and Ors. v. Jharkhand State Electricity Board] wherein the learned Senior Judge of this Court has held as under:

"So far as the second issue is concerned, as has been discussed herein above, the commission and the licensee is required to follow the provision of section 47(4) of the Electricity Act, 2003, wherein it has been mandated that the distribution licensee shall pay interest at the rate of the Bank rate or more as specified by the State Commission concerned. The State Commission has framed Electricity Supply Code under its regulation making power under Section 118 of the Act of 2003. Under clause 10.6 of the said code, the licensee is required to pay interest to the consumer on the security deposit at the rate equivalent to

Bank rate of R.B.I. The bank rate notified from time to time by the R.B.I. is to be ascertained by the licensee as it is in the public domain..... "

6. In the present writ petition, the petitioner has averred as under:

"45. That the respondents are duty bound to make payment of interest on security deposit at the Bank rate in terms of the Judgment of this Hon'ble Court and adjust the same towards the security demand made against the petitioner."

7. In the counter-affidavit, the respondent-Nigam has accepted the same and the statement made in paragraph No. 45 of the writ petition has not been denied by the respondent-Board.

8. In view of the aforesaid stand taken by the parties, it is hereby ordered that the respondent-Board shall calculate interest on security deposit made by the petitioner-Company at the prevalent bank rate of RBI and adjust the same in the impugned demand issued vide letter dated 28.02.2015. The learned counsel for the respondent-Nigam has referred to a copy of the bill to submit that interest payable to the petitioner-Company has been adjusted from time to time however, on further scrutiny, if it is found that any amount on account of interest is due and payable to the petitioner-Company, the same shall be adjusted from the amount of Rs. 59,84,482/-. Mr. M.S. Mittal, the learned Senior Counsel for the petitioner submitted that the petitioner has made payment of the aforesaid bill raised by the respondent-Nigam.

9. The writ petition stands allowed in the aforesaid terms.