

**RSA No. 3674 of 1998**

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RSA No. 3674 of 1998(O&M)**Reserved on: 06.11.2025****Pronounced on:10.11.2025****M/s International Stone Crushing Company****...Appellant**

Versus

Haryana State Electricity Board & Ors.

...Respondents**CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA**

Argued by:- Mr. Nipun Verma, Advocate
For the appellant.

Mr. R.D. Bawa, Advocate and
Mr. Rishabh Rana, Advocate
For the respondent.

DEEPAK GUPTA, J.

The present appeal has been preferred by the plaintiff against partial reversal of the judgment & decree dated 06.04.1994 passed by the learned Trial Court, whereby the plaintiff's suit for declaration was decreed. However, first appellate court of learned District Judge, Bhiwani, vide judgment & decree dated 19.02.1998, partly accepted the appeal of the defendants, thereby upholding the recovery of ₹10,244.20 on account of the difference between Large Supply (LS) and Medium Supply (MS) tariff, while maintaining the trial Court's finding restraining the recovery of ₹15,342/- till disposal of the previously instituted suit.

2. For convenience, the parties are referred to by their original status before the trial Court.

3. The plaintiff is a registered partnership firm engaged in stone crushing and supply business. As per plaintiff, it had applied for an MS category electricity connection and, after completing requisite formalities, was sanctioned

**RSA No. 3674 of 1998**

Connection No. MS-39 with a sanctioned load of 75.200 KW. The plaintiff claimed regular payment of electricity bills without default. The dispute arose when the defendants issued an energy bill dated 13.08.1990 for ₹15,342/- towards alleged arrears and service rental charges. The plaintiff challenged this demand and obtained an interim stay against its recovery on 10.09.1990.

4. Subsequently, another bill dated 10.11.1990 was issued demanding ₹37,932/-, including ₹10,244.20 as arrears towards the difference between LS and MS charges for six months (May–October 1990). The plaintiff contended that it had already applied for reduction of sanctioned load from 75.200 KW to 65.950 KW, and since actual consumption never exceeded 65.950 KW, charging LS tariff was arbitrary and contrary to the Electricity Act and the Regulations of the Haryana State Electricity Board (HSEB). Accordingly, a declaration was sought that the bill dated 10.11.1990 was illegal and void, along with consequential relief of permanent injunction against disconnection of supply.

5. The defendants justified the demand, asserting that as per Sales Circular No. 1/88, any load exceeding 70 KW falls under LS tariff. They maintained that since the plaintiff's sanctioned load was 75.200 KW, billing under LS category was correct. They further clarified that though the plaintiff applied for load reduction, it was never sanctioned, and reconnection was permissible only at the previously sanctioned load. Hence, recovery of LS tariff for the relevant period was claimed to be lawful.

6. The Trial Court accepted the plaintiff's plea, holding that the demand of ₹10,244.20 towards LS-MS differential for six months was illegal and void, as the plaintiff had applied for reduction and had not consumed beyond 65.950 KW. The defendants were restrained from recovering the said amount and also from enforcing the earlier bill of ₹15,342/- till adjudication of the pending suit.

7. However, learned District Judge, Bhiwani, partly allowed the appeal, holding that the sanctioned load, and not the actual consumption, determined the applicable tariff. Since no formal order of load reduction was ever passed by

**RSA No. 3674 of 1998**

the competent authority, the sanctioned load remained 75.200 KW, attracting LS tariff. Consequently, the defendants were held entitled to recover ₹10,244.20, while the finding regarding ₹15,342/- was left undisturbed.

8. Assailing the above reversal, Learned counsel for the appellant contended that all prior bills were under the MS category and that the plaintiff's consumption had never exceeded 65.950 KW. It was argued that having applied for load reduction, the plaintiff should not be penalised for the defendants' inaction in regularising the same.

9. *Per Contra*, learned counsel for the respondents supported the judgment of the First Appellate Court, submitting that tariff liability depends on sanctioned load, rather than consumption or pendency of a request for reduction.

10. This Court has considered rival submissions and perused the record.

11. It is not disputed that the plaintiff's sanctioned load was 75.200 KW at the time of reconnection in May 1990 and that reduction to 65.950 KW was only applied for but never sanctioned.

12. The learned First Appellate Court rightly observed that until the competent authority formally reduced the sanctioned load, the plaintiff continued to fall under the LS tariff. Merely applying for reduction could not alter the category. The Court correctly held that the determinative factor for tariff classification is the sanctioned load as per records, not the actual consumption.

13. The reasoning is consistent with the settled principle that a consumer's liability is governed by the sanctioned contractual terms, and any unilateral assumption by the consumer cannot override the express conditions of supply. Reference may be made to ***Punjab State Electricity Board & Anr. v. Ashwani Kumar (1997) 5 SCC 120***, where the Supreme Court held that billing under the sanctioned category remains valid unless a formal order for reduction is passed.



RSA No. 3674 of 1998

14. Thus, the view taken by the First Appellate Court is based on proper appreciation of the evidence and sound legal reasoning. No illegality, perversity, or misapplication of law has been demonstrated in the impugned findings.

15. In view of the above discussion, this Court finds no merit in the appeal. The judgment and decree dated 19.02.1998 passed by the learned District Judge, Bhiwani, are affirmed, and the appeal is dismissed. No order as to costs.

(DEEPAK GUPTA)
JUDGE

10.11.2025
Jiten

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No