CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-09
No. CGRF/Complaint No. 1453/4/19/053

Complaint No.: - 1453/4/19/053
Date of Admission: - 14.10.2019
Quorum: - Er. Sanjay Dewan, Chairman.
Sh. K.S Dhaulta, Member.

M/s Prime Steel Industries Pvt. Ltd.
(Formerly known as M/s A.M. Iron
Steel Rolling Mills Pvt. Ltd.)
R/o Amloh Road, Opposite Aman Gas Agency,
Mandi Gobindgarh, Distt. Fathegarh Sahib,
Punjab. Pin-147301 (PB). **Complainant**

V/s.

HPSEBL & Others. **Respondents**

1. The Executive Director (Pers.),
HPSEBL,Vidyut Bhawan,
Shimla-171004.

2. The Sr. Executive Engineer,
Electrical Sub-Division, HPSEBL,
Baddi, District Solan (HP).

3. The Assistant Executive Engineer,
Electrical Sub Division, HPSEBL,
Barotiwala, Distt. Solan (HP). **Respondents**

Final hearing:- **20.08.2020**

<u>Present for:-</u>

Complainant
1. Sh. Rakesh Bansal (Authorized Representative)

Respondent
1. Sh. Anil Kumar God, Advocate
2. Er. Robin Singh, XEN, Baddi
3. Er. Pratap Rana, SDO, Barotiwala

Date of Decision: - **20.08.2020**

ORDER

1. The brief history of the case is that M/s Sri Rama Steel Industry Unit-I and M/s Chandigarh Iron & Steel Ltd., got amalgamated in M/s Sri Rama Steel Unit-II on 30.10.2009. Subsequently due to a default by M/s Sri Rama Steels Ltd., Unit II in the repayment of the loan of the H.P. Financial Corporation. (HPFC) and interest accruing thereupon the HPFC under Section 31 and 31 (G) of State Financial Act 1951 initiated recovery proceedings by filing an application before the respective Competent Authority and obtained decree for sale of mortgaged /hypothecated/attached properties/assets of M/s Sri Rama Steels Industry Unit-II. The outstanding liabilities of M/s Sri Rama Steels Unit-II accumulated to Rs.12,68,88,782.50 and outstanding liabilities of M/s Chandigarh Iron and Steels Co. Ltd. accumulated to Rs. 5,69,65,750/- up to 09.10.2012. In the meanwhile , M/s Sri Rama Steel Unit-II and M/s Iron and Steel Co. Ltd. submitted a proposal with the HPFC for settlement of their loan account by sale of their mortgaged/hypothecated/attached properties/assets by the HPFC and introduced a buyer namely M/s Prime Steel Industries (P) Ltd. who negotiated the matter with the HPFC and agreed to buy the assets / properties of M/s Rama Steel Ltd. Unit-II and M/s Chandigarh Iron & Steel Co. Ltd. for a total consideration of Rs. 16 Cr. The HPFC exercising power under Section 32 G of the State Fin. Act 1952 agreed to transfer the said properties and assets to M/s Prime Steels Industries Ltd. for a total consideration of Rs. 16 Cr. This amount was deposited by the present complainant with the HPFC and sale deed dated 07.03.2019 was registered in the office of the Sub-Registrar, Baddi, Distt. Solan (HP). A total land measuring 60 Bigahs along with building and superstructure built upon the said land and machinery and accessories installed at site on the said land stood transferred in favour of the Complainant Company. As per Clause 2 (5) of the Sale Deed dated 07.03.2019 (Annexure C-I) the HPFC, declared that the said property hereby transferred to buyer/Complainant is free from all encumbrances and in case any dispute arises qua this, the Seller HPFC shall be bound to clear such encumbrances at its own cost and shall keep the buyer indemnified at all time. As per Clause 2(7) of the Sale Deed, the Complainant Co. has acquired vested rights over the existing Connected Load of 19991.7 KW with sanctioned Contract Demand of 22214 KVA, Infrastructural Development Charges deposited with the Respondent Board and existing rights over Private Transmission Line to 132 KVA Grid.
2. The Respondent Board thereupon has released the connected load of 19991.7 KW with a Contract Demand of 12700 KVA in favour of the Complainant Company on 01.11.2019 on existing 132 KV dedicated Transmission Line originating from 132 KV Sub-Station Barotiwala (Annexure C-3).

3. The complainant has sought refund of security and any other amount or claim, if any, from the Respondent Board in terms of clause x of the deed of sale dated 07.03.2019 which provide for all past liabilities of the subject matter of sale to borne paid by the borrower company and all future liabilities of subject matter of the sale to be borne and paid by the buyer. The supply connection number LP-755 was temporarily disconnected by the respondent on 07.03.2013 and permanent disconnection order was effected on 12.09.2013 of M/s Sri Rama Steel Ltd. who being the previous occupier of the premises the complainant also submits that in terms of letter dated 18.04.2013, a sum of rupees 38,79,902/- was overdue against M/s Sri Rama Steel Ltd,. against supply connection number LP-755 which was temporarily disconnected on 07.03.2013. The Performa respondent i.e. M/s Sri Ram Steel Ltd,. had submitted bank guarantee for Rs. 2,21,28000/- to HPSEBL. The Respondent Board in terms of letter dated 29.05.2013 has got liquidated the bank guarantee for Rs.2,21,28000/- on 14.05.2013 against unpaid billed amount outstanding against M/s Sri Rama Steel Ltd. account number L-755. Upon liquidation of bank guarantee there exist credit balance of Rs.1,56,02,798/- of Proforma respondent in the accounts of HPSEBL, as per account statements for December,2005 to April,2013 pleased at Annexure C-7. The complainant has now through the present complaint sought the refund of aforesaid amount of Rs.1,56,02,798/- alongwith interest shown as credit balance of Proforma respondent M/s Sri Ram Steel Ltd. to complainant company in terms of sale deed referred above. The Proforma respondent No.4 in its reply has also confirmed to the refund of credit of Rs.1,56,02798/- and has admitted that the complainant has now acquired a legally vested right for claiming the refund of Rs.1,56,02798/- and respondent No.1 to 3 are liable to refund the same to the complainant company.
4. The Respondent Board, in its reply has taken the stand that the complainant has no legal vested right to claim the refund of the dues, if any, of the M/s Sri Rama Steel Ltd. The complainant is an auction purchaser, who has purchased the assets and properties of M/s Sri Rama Steel Ltd. for the HPFC free form all encumbrances. The sale deed is executed between the complainant and the HPFC and the replying respondents are not party to the said sale deed. Thus the said sale deed is not binding on the respondent board. The respondent board further submitted that if any clause has been inserted in the sale deed then the complainant was to ask the HPFC to pay the outstanding amount of the HPSEBL, which has not been paid by the M/s Sri Ram Steel Ltd. The complainant failed to disclose that in what capacity it is claiming the refund of dues if any, of the M/s Sri Ram Steel Ltd. when the replying Respondent has to recover the outstanding charges of electricity consumption form the M/s Sri Rama Steel Ltd. The Board further submitted that the M/s Sri Rama Steel Ltd. has caused heavy financial lose to the replying respondents. The replying respondents

have been force to approach the Hon'ble High Court by way of filing a civil suit of 31/20166 for recovery of outstanding amount from M/s Rama Steels Industries Ltd. which is annexed as Annexure RA-1. The claimed amount is still to be recovered from the M/s Sri Rama Steel Ltd.

5. The Complainant in its Rejoinder dated 14.12.2019 and written submissions dated 20.08.2020 has reiterated the stand taken by him in his Complaint and prayed that the complainant consumer may be refunded the due security deposit made by M/s Sri Rama Steel Ltd. with the HPSEBL, as it has acquired a legal right to claim it in terms of registered sale deed dated 07.03.2019.

6. We have heard both the parties at length and also gone through the case file carefully and it has transpired that the complainant has sought refund of security and any other amount or claim, if any, from the Respondent Board in terms of clause x of the deed of sale dated 07.03.2019 which provide for all passed liabilities of the subject matter of sale to borne paid by the borrower company and all future liabilities of subject matter of the sale to borne and paid by the buyer. The Respondent Board in terms of letter dated 29.05.2013 has got liquidated the bank guarantee for Rs.2,21,28000/- on 14.05.2013 against unpaid billed amount outstanding against M/s Sri Rama Steel Ltd. account number L-755. Upon liquidation of bank guarantee there exist credit balance of Rs.1,56,02,798/- of Proforma respondent in the accounts of HPSEBL, as per account statements for December,2005 to April,2013 pleased at Annexure C-7. The Board in rebuttal submitted that the M/s Sri Rama Steel Ltd. has caused heavy financial loss to the replying respondents. The replying respondents have been forced to approach the Hon'ble High Court by way of filing a civil suit of 31/20166 for recovery of outstanding amount from M/s Sri Rama Steels Industries Ltd. which is annexed as Annexure RA-1. The claimed amount is still to be recovered to the M/s Sri Rama Steel Ltd. The Board opposing the claim of the claimant company has submitted that since the matter of claim in civil suit is pending adjudication before the Hon'ble High Court, this Forum cannot pass any orders in the matter, as the matter of claim for refund of balance security is interconnected with the matter of civil suit before the Hon'ble High Court.

7. From the above discussions, it is clear that the Respondent Board has approached Hon'ble High Court by way of filing a civil suit of 31/20166 for recovery of outstanding amount from M/s Sri Rama Steels Industries Ltd., which is annexed as Annexure RA-1. Since the matter of civil suit is inter-related to the claim made in the complaint regarding refund of balance security amount of M/s Sri Rama Steel Industries Ltd., which is pending adjudication before the Hon'ble High Court. Thus, it would not be appropriate for the Forum to interfere in the matter at this stage which may prejudice the interest of the parties before the Hon'ble High Court. Keeping all this in view and without going into the merits of the case, the present complaint is disposed of in view of the Civil

Suit No. 31/20166 pending before the Hon'ble High Court of H.P, as the Forum cannot pass any orders on a sub-judice matter. The parties are left to bear their own costs.

8. The file be consigned to record room after due completion. A copy of the order be kept in safe custody of folder of orders. A certified copy of these orders be supplied to both the parties.

Dated:-20.08.2020

Place:- Shimla

Sd/-	Sd/-
(K.S. Dhaulta)	**(Sanjay Dewan)**
Member	**Chairman**

Notice

Registered

CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-9.
No. CGRF /Complaint No. 1453/4/19/053 Dated:-

M/s Prime Steel Industries Pvt. Ltd.
(Formerly known as M/s A.M. Iron
Steel Rolling Mills Pvt. Ltd.)
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Barotiwala, Distt. Solan (HP). **Respondents**

The Certified copy of final order dated 20.08.2020 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.