

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THURSDAY, THE EIGHTEENTH DAY OF JUNE
TWO THOUSAND AND TWENTY SIX**

PRESENT

**THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN**

WRIT APPEAL NO: 600 OF 2026

Writ Appeal under clause 15 of the Letters Patent Filed against the order
Dated 06/01/2026 in writ petition No.2142 of 2020. on the file of the High Court.

Between:

M/s. Kalyani Refineries Ltd, Having its unit at Survey Nos. 181 and 182, Raikal
Village, Farooknagar Mandal, Shadndagar, Mahabubnagar District, Now Ranga
Reddy District, rep. by its Director Sri V.V.S.R. Narsimha Rao

...APPELLANT/PETITIONER

AND

1. The State of Telangana, rep. by its Principal Secretary, Department of Energy, Secretariat, Hyderabad
2. The Superintending Engineer, Operation Circle, TSSPDCL, Rajendra Nagar, Nanalnagar Cross Road, Raithibowli, Hyderabad.
3. The Southern Power Distribution Co. of T.S. Ltd., 6-1-50, Corporate Office, Mint Compound, Hyderabad - 500 004, rep. by its Chairman and Managing Director.
4. The Senior Accounts Officer, Central Power Distribution Company Limited, Mahabubnagar.

...RESPONDENTS/RESPONDENTS

I.A. NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings, including recovery of the electricity dues, pursuance to the

Notice No. SC/OP/RJNR/SAO/JAO/HT/FORM B/D.NO.232/2018, dated 30-10-2019,
issued by respondents 2, pending disposal of main Writ Appeal.

**Counsel for the Appellant: SRI A.GIRIDHAR RAO, SENIOR COUNSEL FOR
SRI P.RAMACHANDRAN**

Counsel for the Respondent No.1: GP FOR ENERGY

**Counsel for the Respondent Nos.2 TO 4: SRI N.SREEDHAR REDDY,
SC FOR TGSPDCL**

The Court made the following: JUDGMENT

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

AND

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT APPEAL No.600 of 2026

Dated:18.06.2026

Between:

M/s. Kalyani Refineries Ltd.

...Appellant

and

The State of Telangana,
Rep. by its Principal Secretary, Department of Energy,
Secretariat, Hyderabad,
and 3 others.

...Respondents

JUDGMENT:

Learned Senior Counsel Sri A.Giridhar Rao, representing learned counsel Sri P.Ramachandran, appears for the appellant.

Sri N.Sreedhar Reddy, learned Standing Counsel for Southern Power Distribution Company of Telangana Limited, appears for respondents No.2 to 4.

2. Heard the learned counsel for the parties.

3. The petitioner company is the appellant. It approached the learned writ court in W.P.No.2142 of 2020 assailing the notice dated 30.10.2019 issued by respondents No.2 to 4 directing it to pay the Current Consumption charges of Rs.1,35,09,741/- and arrears and penalty from 05.12.2004 to 31.10.2019. The learned writ court, after hearing the parties and taking note of the stand of the respondents brought on record through counter affidavit, dismissed the writ petition on 06.01.2026 holding the appellant liable to pay the dues, as the dues were not barred by limitation. Challenging the said judgment, the present writ appeal is preferred by the appellant.

4. Learned Senior Counsel for the appellant has referred to Section 56 of the Electricity Act, 2003 (hereinafter referred to as, "the 2003 Act"), and also the judgment rendered by the Apex Court in **Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan**¹, which has interpreted Section 56(2) thereof to the effect that the provision restricts the right of the licensee company to disconnect electricity supply due to non-payment of dues by the consumer, unless such sum has been shown continuously to be recoverable as arrears of electricity supplied, in the bills raised for the past period. If the licensee company is allowed to

¹ (2020) 4 SCC 650

disconnect electricity supply after the expiry of the limitation period of two years after the sum became "first due", it would defeat the object of the provision. It further held that Section 56(2) of the 2003 Act, however, does not preclude the licensee company from raising a supplementary demand after the expiry of the limitation period of two years. It only restricts the right of the licensee to disconnect electricity supply due to non-payment of dues after the period of limitation of two years has expired, nor does it restrict other modes of recovery which may be initiated by the licensee company for recovery of a supplementary demand. It is a fact that due to non-payment of electricity dues, HT service connection of the appellant was disconnected on 16.04.2004 and the agreement was terminated on 05.12.2004. Thereafter, there is no subsisting supply of electricity to the appellant. Learned Senior Counsel for the appellant has drawn the attention of this court to Section 6 of the Andhra Pradesh State Electricity Board (Recovery of Dues) Act, 1984 (hereinafter referred to as, "the 1984 Act"), which applies to the electricity company in the State of Telangana as well. Section 6 of the 1984 Act reads as under:

"6. Recovery of dues, etc., if not paid :-

- (1) If the aggregate amount of the dues, penalty and costs mentioned in the notice of demand served under section 4 is not deposited with the prescribed authority within three months of the date of such service or such extended period as the prescribed authority may, from time

to time allow, the debtor shall be deemed to be in default in respect of such amount and the same shall be recoverable as if it were an arrear of land revenue, notwithstanding anything to the contrary contained in any other law for the time being in force, or any instrument or agreement having the force of law.

- (2) For the purpose of such recovery, the prescribed authority may forward to the Collector having jurisdiction, a certificate under his signature in the prescribed form stating the amount and details of the demand and the name and description of the debtor in-default and the Collector shall on receipt of such certificate, proceed to recover from the debtor the amount of the demand as if it were an arrear of land revenue."

5. Learned Senior Counsel for the appellant submits that even the invocation of the procedure prescribed under the 1984 Act by the electricity company would be barred by limitation, as the charge of such dues is not recoverable after 12 years as per Article 62 of the Limitation Act, 1963. Learned Senior Counsel for the appellant has also referred to Form-A i.e., notice of demand dated 30.09.2019 issued by the Superintending Engineer, Operation Circle, Rajendranagar, for the said dues. However, according to him, till date no notice by the Recovery Officer under the Telangana Revenue Recovery Act, 1864 (hereinafter referred to as, "the Act of 1864") has been issued or received by the appellant. The learned writ court, however, without taking into consideration the point of limitation involved in the case, straightaway held the appellant liable to pay the demand. Such demand on its own cannot be realised without resorting to the recovery proceedings prescribed under the Act of 1864. It is submitted that, at this stage, by

setting aside the impugned judgment, the appellant may be allowed liberty to raise all grounds and facts before the Recovery Officer if any proceedings are initiated for realisation of the demand raised by the impugned notice dated 30.10.2019 and the notice of demand in Form-A dated 30.09.2019.

6. Learned Standing Counsel appearing for respondents No.2 to 4 submits that the unpaid dues are recoverable through the procedure prescribed under the Act of 1864. The writ petition was however premature. However, the learned writ court after consideration of the stand of the parties rightly dismissed the writ petition holding that the demand is payable. As per his instructions, as on date no certificate has been issued to the Collector of the concerned district for initiation of the recovery proceedings under the Act of 1864.

7. We have heard the learned counsel for the parties and taken note of the relevant material facts borne from record and the provisions of law applicable to the facts at hand.

8. From the facts noted above, it is apparent that the appellant has rushed to the court before any recovery proceedings for outstanding electricity dues were initiated by the respondent company. Whether

such dues were barred as per the Limitation Act, 1963, read with the provisions of Section 6(2) of the 1984 Act and the Act of 1864 could have been taken in any such recovery proceedings. The appellant, however, invited the findings of the learned writ court also on the point of limitation. It appears that the learned writ court also failed to take into note that the issuance of the impugned notice *per se* does not make the demand recoverable without resorting to the procedure laid down by law. As a result of the findings rendered by the learned writ court, the appellant would be precluded from taking all such grounds before the Recovery Officer on issuance of the requisite certificate by the electricity company for realisation of the dues under the Act of 1864. In effect, a lawful remedy has been foreclosed, of course, also on account of undue haste and lack of foresight by the appellant. In such circumstances, we are of the view that interest of justice would be served if the impugned judgment is set aside leaving the electricity company to initiate recovery proceedings under the Act of 1864. Needless to say, in any such recovery proceedings the appellant will have the opportunity to take all such grounds of law, point of limitation and facts as are available to it.

9. The impugned judgment is accordingly set aside and the writ appeal is allowed. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/- B. SATYAVATHI
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Principal Secretary, Department of Energy, Secretariat, Hyderabad, State of Telangana.
2. The Superintending Engineer, Operation Circle, TSSPDCL, Rajendra Nagar, Nanalnagar Cross Road, Raithibowli, Hyderabad.
3. The Chairman and Managing Director, Southern Power Distribution Co. of T.S. Ltd., 6-1-50, Corporate Office, Mint Compound, Hyderabad - 500 004.
4. The Senior Accounts Officer, Central Power Distribution Company Limited, Mahabubnagar.
5. One CC to SRI P.RAMACHANDRAN, Advocate [OPUC]
6. Two CCs to GP FOR ENERGY, High Court for the State of Telangana, at Hyderabad. [OUT]
7. One CC to SRI N.SREEDHAR REDDY, SC FOR TGSPDCL [OPUC]
8. Two CD Copies

PSK.

GJP

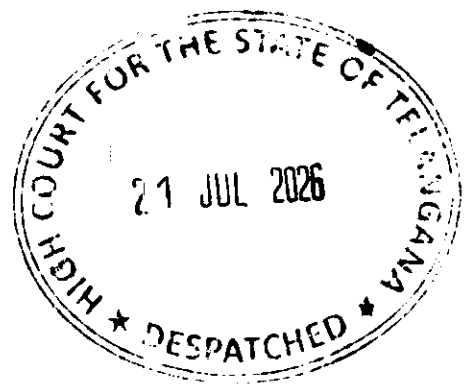


HIGH COURT

DATED: 18/06/2026

JUDGMENT

WA.No.600 of 2026



**ALLOWING THE WRIT APPEAL
WITHOUT COSTS**

⑪ NT
13/7/26.