



2025:AHC:164765-DB

AFR

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 31054 of 2025

Amir Ahmad

.....Petitioner(s)

Versus

State Of U.P. And 4 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Meraj Ahmad Khan
Counsel for Respondent(s)	:	C.S.C., Pranjal Mehrotra

Court No. - 39

**HON'BLE ARINDAM SINHA, J.
HON'BLE AVNISH SAXENA, J.**

(Per Arindam Sinha, J.)

1. Mr. Meraj Ahmad Khan, learned advocate appears on behalf of petitioner and Mr. Pranjal Mehrotra, learned advocate, for respondent nos. 2 to 4 (the supply company). Mr. Raj Mohan Upadhyay, learned advocate, Additional Chief Standing Counsel appears on behalf of State.

2. The writ petition was moved on 9th September, 2025. Paragraph 1 from order made that day is reproduced below.

"1. Mr. Meraj Ahmad Khan, learned advocate appears on behalf of petitioner and submits, his client purchased the property from the authorized officer exercising power under section 13 in Securitisation And Reconstruction Of Financial Assets And Enforcement Of Security Interest (SARFAESI) Act, 2002. He points out, inter-alia, his client holds sale certificate dated 24th April, 2024 saying that the property was made free from all encumbrances and sold to his client. He applied for electric connection but it is not being given on the supply company holding out, there are arrear dues attached to the premises."

3. Today, Mr. Mehrotra relies on clause 4.3 (f) (i) and (viii) in chapter 4 of U.P. Electricity Supply Code, 2005, reproduced below.

"(i) It will be the duty of the seller and of the purchaser to find out the outstanding electricity dues up to the date of sale, and further that both seller and purchaser will be either/or, jointly and

severally ***liable to pay the outstanding electricity dues/ obtain No dues certificate.***

.....

(viii) *The application shall be processed by licensee on clearing of dues."*

(emphasis supplied)

4. Mr. Mehrotra also relies on judgment of the Supreme Court in **K.C. Ninan Vs. Kerala State Electricity Board** reported in **(2023) 14 SCC 431**, inter alia, paragraph 117 reproduced below.

"117. In light of the above discussion, we are of the opinion that the electricity utilities can create a charge by framing subordinate legislation or statutory conditions of supply enabling recovery of electricity arrears from a subsequent transferee. Such a condition is rooted in the importance of protecting electricity which is a public good. Public utilities invest huge amounts of capital and infrastructure in providing electricity supply. The failure or inability to recover outstanding electricity dues of the premises would negatively impact the functioning of such public utilities and licensees. In the larger public interest, conditions are incorporated in subordinate legislation whereby the Electric Utilities can recoup electricity arrears. Recoupment of electricity arrears is necessary to provide funding and investment in laying down new infrastructure and maintaining the existing infrastructure. In the absence of such a provision, the Electric Utilities would be left without any recourse and would be compelled to grant a fresh electricity connection, even when huge arrears of electricity are outstanding. Besides impacting on the financial health of the Utilities, this would impact the wider body of consumers."

He submits, there is no ground for interference. The writ petition be dismissed.

5. In reply Mr. Khan submits, **K.C. Ninan** (supra) does not apply to his client's case, who is bonafide purchaser for value from the authorized officer of the bank. His client's vendor did not consume any electricity. As such, there cannot be any claim of the supply company, to result in a charge on the property by operation of law. The supply company has not been able to show any bill raised on the authorized officer for electricity consumed by occupation of the property, sold to his client. In any event, he reiterates, the property was sold to his client free from all encumbrances known to his vendor.

6. There is substance in contention of the supply company made

upon reliance on clause 4.3 (f) (i) and (viii). Petitioner is auction-purchaser of a property dealt with under law as being secured property of a borrower, who had defaulted on repayment. As such the property was sold on "as- is-where-is" basis. To petitioner attaches the requirement of the phrase 'buyer beware'. Petitioner having bid for such a property, in auction conducted by or on behalf of the bank, ought to have made such enquiry regarding charge of unpaid electricity dues attaching to the property, by operation of law. His contention that the authorized officer, his vendor, had not consumed electricity must be seen as cannot be sustained by reason of declaration of law made by the Supreme Court in **K.C. Ninan** (supra) in fact situation covering petitioner. Paragraph 1 from the judgment is reproduced below.

*"1. The nineteen cases in this batch of appeals follow a similar pattern of facts. **The supply of electricity was discontinued due to the failure of the previous owners to pay the dues for consumption of electricity on the premises.** The previous owners had borrowed money or raised loans on the security of their premises. In some cases, the erstwhile owner went into liquidation. **The premises were sold in auction-sales generally on an "as-is-where-is" basis. The new owners, who purchased the properties in auction, applied for new electricity connections for the premises to which electricity had been disconnected for failure to pay the dues. The Electric Utilities refused to provide an electricity connection unless the auction-purchaser paid the dues of the previous owner. This refusal was derived from powers conferred under subordinate legislations, notifications, Electricity Supply Codes or State Regulations. The denial of electricity supply resulted in the institution of petitions under Article 226 before the High Court, leading to the judgments which are in appeal.**"*

(emphasis supplied)

7. Petitioner is required under law to comply with, inter alia, aforesaid provision in clause 4.3, to obtain electricity connection in the property he has purchased.

8. The writ petition is **disposed of**.

September 16, 2025
Mohini

(Arindam Sinha,J.)

(Avnish Saxena,J.)