

**(2005) 03 JH CK 0006**

**Jharkhand High Court**

**Case No:** CP No. 5 of 2004 with WP (C) No. 4513 of 2004

Board for Industrial and  
Financial Reconstruction

APPELLANT

Vs

Heavy Engineering Corporation  
Ltd.

RESPONDENT

**Date of Decision:** March 11, 2005

**Citation:** (2005) 3 BLJR 1736 : (2005) 4 JCR 118

**Hon'ble Judges:** S.J. Mukhopadhyaya, J

**Bench:** Single Bench

**Advocate:** J.P. Gupta, Addl. Solicitor General of India, Rajesh Kumar, Rajiv Ranjan, for the  
Appellant; Delip Jerath, for JSEB, for the Respondent

### **Judgement**

@JUDGMENTTAG-ORDER

S.J. Mukhopadhyaya, J.

Heard the counsel for the Heavy Engineering Corporation Limited, Union of India, Jharkhand State Electricity Board and the counsel appearing on behalf of other respondents.

2. As the Court has taken up the matter for revival of the Heavy Engineering Corporation Limited (HEC) in connection with CP 5 of 2004, positive sign has been shown by the Central Government and the State of Jharkhand in the matter of revival of the mother Industry and certain improvements have been made and as the Court has also taken up the issue as to how M/s. HEC can pay back the outstanding dues and current charges of the Jharkhand State Electricity Board, this Court prohibits the Jharkhand State Electricity Board and its officers from taking any coercive steps against M/s. HEC without prior permission of the Court. The order contained in Memo No. 143, dated 24.2.2005 issued by the Electrical Superintending Engineer, Ranchi shall remain stayed. However, it will be open to the Jharkhand State Electricity Board to collect the outstanding dues of those who have taken

non-industrial/noncommercial connections and have become consumers of the Jharkhand State Electricity Board. By the next date, the Jharkhand State Electricity Board will inform as to whether they have reduced the load of the Heavy Engineering Corporation on their request and the learned counsel for the Heavy Engineering Corporation will inform about the monthly instalment they propose to pay to the Jharkhand State Electricity Board against the outstanding dues and the current charges.

Payment of provident fund amount :

3. It is informed that the Union of India has already released a sum of Rs. 95.34 crores in favour of the Heavy Engineering Corporation for payment towards its statutory dues.

4. Mr. Rajiv Ranjan, counsel for the HEC, prays for and is allowed to deposit a sum of Rs. 85.36 crores on account of provident fund and interest on provident fund, revenue loss, pension dues and interest on pension dues within one week. If such amount is deposited the Trust i.e. Employees Provident Fund Trust/Provident Fund Commissioner, Ranchi, whoever is the competent authority, will accept the amount and adjust it against the dues as may be prayed for by the HEC. Learned Counsel for the HEC is directed to file an affidavit in this regard by the next date. IA No. 621 of 2005 stands disposed of.

IA 328 of 2005:

5. This IA has been preferred by the Government of India giving therein the salient features of revival of the HEC. It is not clear as to how the Govt. of Jharkhand can waive the dues of the Jharkhand State Electricity Board, nor it has been made clear whether the Govt. of India agrees with the proposal given by the HEC that it is ready to sell 1,000 acres of land in favour of the Government of Jharkhand for the purpose of construction of High Court, Secretariat and Raj Bhavan Buildings.

6. Counsel for the Central Government is directed to serve a copy of the proposal of the scheme on the counsel for the other parties. They shall seek instruction and file affidavit on the queries made above.

7. In the meantime, the Government of India is allowed to act in terms of items 1, 3, 4, 5 and 10 of the proposed scheme as quoted herein below :

S. No.	Major Heads	Amount as per DRS (in crores)	The Revival Proposal
1.	Employees statutory dues	118.20	To be given by G.O.I.
3.	G.O.I. loan interest	799.86	To be waived by the G.O.I
4.	Capital expenditure	100	To be financed in phases by G.O.I.

5.	Fund for V.R.S..	4%82	to be given by G.O.I, as per the need and requirement of the company.
10.	C.I.S.F. Dues	66.22	To be settled by transferring 120 acres of Company land for building permanent camp and office of the C.I.S.F.

8. As regards rest of the items i.e. 2 and 6 to 9 as mentioned in paragraph 6 of the said IA petition, these will be discussed and decided on the next date.

9. Apart from the above scheme, the following statement has been made at paragraph 7 of the LA. petition.

"It is evident from the above developments that the Department of Heavy Industry, Government of India under the policy framework of National Common Minimum Programme is making efforts for revival and progress of the company and making all attempts to mobilize the necessary resources. Coordination with Administrative Ministries of Important client PSUs for securing work order for HEC and negotiation with the State Government to take care of past liabilities and future need of the company is on, but, waiver of GOI loan and interest amounting to Rs. 800 crores and for fresh infusion of CAPEX calls for approval of the cabinet is likely to take some more time as the proposal will be presented before and examined by the board for Reconstruction of Public Sector Enterprises (BPRSE) which has been constituted under the Department of Public Enterprises (An-nexure-B). After the approval of the Board, the proposal will go to the cabinet for approval. The final commitment on waivers and CAPEX infusion can only be given after that.

10. The Government of India is allowed to act as per the aforesaid proposal.

11. Let these cases be listed under the heading for orders on the 7th, April, 2005.

12. Let copies of this order be handed over to the counsel for the parties.