
MANUFACTURING CO. LTD. Vs A.P.State Electricity Board

None

Court: NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Decision: April 6, 1993

Citation: 1993 2 CPJ 874 : 1993 2 CPR 363

Hon'ble Judges: A.Venkatarami Reddy , Pothuri Venkateswara Rao , J.Ananda Lakshmi J.

Final Decision: Dismissed

Judgement

1. CASE under Section 17(a) 1 of the Consumer Protection Act, 1988 praying that in the circumstances stated in the Memorandum of grounds

filed herein the State Commission will be pleased to

i) Issue orders for payment of Rs. 7,37,439 (Rupees Seven lakhs thirty seven thousand four hundred thirty nine only) towards actual loss. ii) Issue

orders for payment of interest @ 24% per annum on the above amount Rs. 7,37,439 comes to Rs. 1,76,585.36 p. iii) Issue order for payment of

Rs. 10,000/- (Rupees ten thousand only) towards the compensation. Total Rs. 9,24,024.36 p. (Rupees Nine lakhs twenty four thousand twenty

four and paise thirty six only) towards the mental agony caused to the complainant because of the act and commission and commissions of the

respondent No. 2 or any such order or orders which the Hon'ble State, Forum of A.P., High Court, Hyderabad City may kindly deem fit.

2. THIS case coming on for hearing upon perusing the Memorandum of ground, and upon hearing the arguments of Mr. Mohan Prasad, Advocate

for the petitioner and if Mr. S.C. Nagarjuna Reddy, Standing Counsel for APSEB, on behalf of the respondent, the Court delivered the following

Judgment: -

The Complainant in this case M/s Shree Manufacturing Company Limited, has a factory in Medak District and consumes electrical energy supplied

by the APSEB the first respondent herein, to produce synthetic and blended yarn. During the five months period between January and May, 1991

besides the declared power cut in the HT energy supply, there were frequent breakdown because of trippings and load sheddings. As a result of

sudden stoppage of supply by the respondents without advance intimation, production of yarn in the factory suffered qualitatively. Whenever there

is a sudden stoppage of supply of power a break occurs, in the continuity of yarn and knotting of the yarn will have to be done manually and such

knottings tell upon the quality of the yarn. According to the complainant the qualitative fall in the standard of yarn has affected its market and also

its reputation. The company complained that during the above period of five months, it suffered a monetary loss of Rs. 7,37,439.00. The company

claimed the amount as compensation together with interest at the rate of 24% p.a. which works out to Rs. 1,76,585.36 Ps. till the date of the

complaint, and a sum of Rs. 10,000/-by way of costs. The total amount claimed by the complainant is Rs. 9,24,024.36Ps.

Sri K.K. Sharma, a technical expert from the company who also happens to be its Vice-President, deposed before this Commission that his

factory works round the clock in three shifts. He stated that use of knotted yarn would result in the manufacture of substandard cloth. When cross-

examined by the respondents" Counsel be said defect in machinery also could result in production of defective yarn.

3. THE respondents questioned the maintainability of the complaint. THEy also stated that the particulars of the trippings and load sheddings as

stated by the complainant are highly exaggerated. It was also represented on their behalf that the claim for compensation was barred by the terms

of the contract. THE power cut imposed and the load-sheddings were inevitable because of the wide gap between generation and demand when

hydel reservoirs get dried up. Trippings also occur inevitably. It was submitted on their behalf that the interruptions in the supply did not prevent the

complainant from consuming the factory"s monthly quota.

The learned Counsel for the respondents cited a judgment of the Division Branch of the A.P. High Court which held that the Electricity Board is

not liable for any loss caused to any consumers on account of interruptions in power supply.

4. AS the complainant is a sick company and has on-its pay roll, according to the particulars give by the Company"s Manager (Public relations),

700 workers any 300 other staff including officers and executives, the Commission bestowed serious thought on the complaint and sought the

presence of one of two senior officers of the APSEB to explain the frequent occurrence of trippings and load sheddings. Two senior officers

accordingly presented themselves before the Commission and explained that the interruptions were caused either due to load shedding or tripping.

These factors are beyond the control of the Board and the interruptions are unavoidable. In the present case, the officer contended that the

complainant factory which has a generator in its premises ought to have arranged it in such a manner that there would be instantaneous power

supply from the generator, the moment power interruption occurs.

Going by the version of the representatives of the Board, which we see no reason to disbelieve, it appears that no extra effort on the part of the

APSEB authorities is likely to improve the situation in so far as the complainant-factory is concerned, as long as the unmanageable gap between

the generation and the demand continues.

Electrical energy comes under the definition of ""Goods"" and in the present case the complainant purchased ""goods"" for commercial purpose as

clearly the factory was consuming HT electrical energy for the manufacture of yarn and therefore cannot claim relief under the provisions of the

Consumer Protection Act, 1986.

5. IN the result, the complaint is dismissed. There shall be no order as to costs. Complaint dismissed.