

**UT POWERMEN UNION, CHANDIGARH (REGD.)  
VS  
UNION OF INDIA AND OTHERS**

Present : Mr. Sunil Chadha, Sr. Advocate with  
Mr. Akshay Chadha, Advocate  
for the petitioner.

Mr. S.P.Jain, Addl. Solicitor General of India with  
Ms. Neha Sharma, Advocate  
for respondent No. 1.

Mr. Pankaj Jain, Sr. Standing counsel, U.T., Chandigarh with  
Mr. Namit Kumar, Advocate  
for respondent Nos.2 to 5-U.T., Chandigarh.

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The matter has been taken up through video conferencing in the light of the pandemic Covid-19 situation and as per instructions.

States that there is no provision of privatization under the Electricity Act, 2003 (in short 'the Act'). No provision has been framed for reservation policy for the OBC, BC, sports personnel, ex-army personnel and various deprived sections of the society. The impugned action of the respondents in taking effective steps to privatize the Electricity Wing, U.T., Chandigarh/power utility in Chandigarh by selling of 100% stake of the Govt. is not legally sustainable, the same being violative of Section 131 (2) of the Act, as per which the power department/utility cannot be transferred to a totally private entity with no stake or control of the Government at all. The sale of 100% stake of the U.T. Administration in the Electricity Wing of U.T., Chandigarh which is running in profits and is revenue surplus for the past 3 years and is also economically efficient having T & D losses less than 15 % the target fixed by the Ministry of Power is unjust and illegal. The transfer scheme (Annexure P-11) has been prepared without calling for the objections of all the stakeholders i.e. Consumers and employees of the

Electricity Wing as well as the heads/representatives of the three State Governments i.e. Punjab, Haryana and U.T. Chandigarh and thus cannot be legally sustained and acted upon.

Learned Senior counsel further contends that in the absence of finalizing and notifying transfer scheme under Section 131 of the Act, process of inviting bids vide the impugned notice dated 10.11.2020 (Annexure P-14) could not be initiated. The impugned action of the respondents in privatizing the Electricity Wing of U.T., Administration is also violative of mandatory provisions of Sections 30, 31, 32, 39, 40 and 41 as well as provisions of Sections 16 and 17 of the Act.

Notice of motion.

At this stage, Mr. S.P. Jain, Addl. Solicitor General of India assisted by Ms. Neha Sharma, Advocate accepts notice on behalf of respondent No. 1. Mr. Pankaj Jain, Sr. Standing counsel, U.T., Chandigarh assisted by Mr. Namit Kumar, Advocate causes representation on behalf of respondent Nos.2 to 5.

Heard.

Considering the nature of the issue involved, we feel that the matter will require detailed deliberations as it touches the employment scheme of the society in general.

Admitted.

The operation and effect of the impugned Office Memorandum dated 10.06.2020 (Annexure P-3) and Notice Inviting Bids dated 10.11.2020 (Annexure P-14) shall remain stayed till further orders.

To be heard within six months after the resumption of normal functioning of the Court.

Parties are directed to complete the pleadings in the meantime.

In case, the matter is not taken up within the stipulated period, the parties shall be free to move an application for getting the matter fixed on an actual date.

**(JITENDRA CHAUHAN)**  
**JUDGE**

**(VIVEK PURI)**  
**JUDGE**

**01.12.2020**  
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