



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF JANUARY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT APPEAL NO. 524 OF 2024 (GM-KEB)

BETWEEN:

THE STATE OF KARNATAKA
REP BY ITS SECRETARY,
DEPARTMENT OF ENERGY
VIKASA SOUDHA
BENGALURU 560001

...APPELLANT

(BY SRI. K.S. HARISH, GA)

AND:

1. M/S SHAMANUR SUGARS LIMITED
HAVING ITS REGISTERED
OFFICE AT NO.374, 4TH MAIN,
P J EXTENSION,
DAVANAGERE KARNATAKA 577002,
REP HEREIN BY MANAGING DIRECTOR.
2. CENTRAL ELECTRICITY
REGULATION COMMISSION
3RD AND 4TH FLOOR
CHANDERLOK BUILDING,
36, JANPATH NEW DELHI 110001
REP BY ITS SECRETARY

Digitally signed
by NIRMALA
DEVI

Location: HIGH
COURT OF
KARNATAKA



3. KARNATAKA POWER TRANSMISSION
CORPORATION
HAVING ITS REGISTERED OFFICE
AT CAUVERY BHAVAN,
AMBEDKAR VEEDHI,
BANGALORE 560001
REP BY FINANCIAL ADVISOR.
4. STATE LOAD DISPATCH CENTRE
KPTCL NO.28 RACE COURSE ROAD,
BANGALORE 560009
REP BY ITS CHIEF ENGINEER.

...RESPONDENTS

(BY SRI. SHRIDHAR PRABHU, ADVOCATE FOR C/R1
SRI. PRADEEP NAYAK, ADVOCATE FOR R2
SRI. S. SRIRANGA, SENIOR ADVOCATE FOR
SMT. SUMANA NAGANAND, ADVOCATE FOR R3 & R4)

THIS WRIT APPEAL IS FILED U/S 4 OF THE
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE
THE ORDER DATED 22.05.2023 PASSED BY THE
LEARNED SINGLE JUDGE OF THIS HONBLE COURT IN
WP No-46495/2012 (GM-KEB) IN SO FAR AS IT RELATES
TO THE DIRECTION TO THE APPELLANT STATE TO
ESTABLISH A NEW ENTITY FOR 4TH RESPONDENT-
SLDC.

THIS APPEAL, COMING ON FOR FINAL HEARING,
THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS
UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA



ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The State has filed the present appeal impugning an order dated 22.05.2023 passed by the learned Single Judge in Writ petition No.46495 of 2012 (GM-KEB).

2. The learned counsel appearing for the appellant, confined the challenge to the impugned order to the observations to the effect that a State is required to establish a separate entity for State Load Despatch Centre [SLDC] who can function independently of the State Transmission Utility at the earliest within a period of six weeks from the date of receipt of the order.

3. The Registrar General was also directed to forward a copy of impugned order to the Chief Secretary, Government of Karnataka, for doing the needful.

4. Paragraphs 15.7 and 15.8 of the impugned judgment are relevant and are set out below:

15.7. It is also required to be taken note of that in terms of Section 31 of the Act, a separate company is required to be established by the State. The Act having come into force in the year 2003, despite 20 years having lapsed there from,



no action in this regard has been taken and the SLDC has been established under the State Transmission Utility. In my considered opinion, there are bound to be certain conflicts between the State Transmission Utility and the functioning of the SLDC.

15.8. It is but required that the State establishes a separate entity for SLDC who can function independent of the State Transmission Utility at the earliest at any rate within a period of 6 weeks from the date of receipt of copy of this order. The Registrar General is directed to forward a copy of this order to the Chief Secretary, Government of Karnataka for doing the needful.

5. It is clear from the above that the directions issued by the learned Single Judge were in effect to implement Section 31(2) of the Electricity Act, 2003. We consider it apposite to set out the said Section 31 of the Act. The same is reproduced below:

31. Constitution of State Load Despatch Centres.-(1)
The State Government shall establish a Centre to be known as the State Load Despatch Centre for the purposes of exercising the powers and discharging the functions under this Part.

(2) The State Load Despatch Centre shall be operated by a Government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government:

Provided that until a Government company or any authority or corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre:



Provided further that no State Load Despatch Centre shall engage in the business of trading in electricity.

6. It is apparent from the above that the State Government is required to set up a company, authority or a corporation for operating the State Load Despatch Center [SLDC]. However, in terms of the first proviso, the State Transmission Utility would operate the SLDC until a government company, authority, or a corporation is notified by the State Government.

7. Since the present appeal is confined to the direction issued by the learned Single Judge in conformity with and for implementation of Section 31(2) of the Electricity Act, 2003, this Court had called upon the learned AGA to take instructions as to the stand of the appellant with regard to Section 31(2) of the Electricity Act, 2003.

8. Learned AGA submits that he has received instructions that the appellant will constitute a government company, authority or establish a corporation for operating the SLDC. To the said extent, the appellant has taken a decision to implement Section 31(2) of the Act.



9. In view of the above, the appellant can have no grievance in respect of the directions issued by the learned Single Judge except in respect of the time frame for establishing the entity.

10. In view of the above, we modify the impugned order to the extent that the directions issued under para 15.8 of the impugned order shall be implemented within a period of six months from date.

11. The appeal is disposed of in the aforesaid terms.

12. Pending application is also disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**