

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.302
IA/1230(AHM)2026
in
C.P.(IB)/99(AHM)2026

Under Section 60(5) IBC 2016 r/w Rule 11 NCLT Rules, 2016

IN THE MATTER OF:

NPV Insolvency Professional Pvt. Ltd Through Its Director
Atul Tandon IRP of Mehsana Dairy and Food Products Ltd
V/s
Uttar Gujarat Vij Company Limited

.....Applicant

.....Respondent

Order delivered on: 18/09/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD**

**IA No. 1230 of 2026
in
CP(IB) No. 99 of 2026**

*[An application filed under Section 60(5) of the Insolvency and
Bankruptcy Code, 2016 r.w. Rule 11 of the NCLT Rules, 2016]*

In the matter of:

NPV Insolvency Professional Private Limited

(Interim Resolution Professional of
Mehsana Dairy and Food Products Limited)
Through its Director-Atul Tandon)
Having office at:
H-35, 1st Floor Jangpura Extension
South Delhi, New Delhi- 110014

.... Applicant/Interim RP

VERSUS

Uttar Gujarat Vij Company Limited

Address: Uttar Gujarat Vij Company Limited
Regd. & Corporate Office,
Visnagar Road, Mehsana-384001
Email ID: corporate@ugvcl.com

.... Respondent

Order Pronounced on: 18.09.2026

C O R A M :

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E :

For the Applicants	: Mr. Narendra Singh, Advocate
For the Respondent	: Mr. Chinmay Gandhi, Advocate

ORDER
[Per: BENCH]

1. This Interlocutory Application has been filed on 29.07.2026 under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016 by Interim Resolution Professional, seeking following prayers: -

- a. To allow the present application*
- b. To direct the Respondents to Refund Rs.26,40,809.54 back to the account of the Corporate Debtor and/or*
- c. To direct the Respondents to adjust the Rs.26,40,809.54 in the upcoming electricity bill post CIRP.*
- d. To direct the Respondent to file a claim for the pre-CIRP due,*
- e. To direct the Respondent to maintain the supply of electricity to the Corporate Debtor.*

And/Or

- f. Pass any other or further directions as this Hon'ble Tribunal may deem fit and proper to meet the ends of justice in favour of the applicant and against the Respondent and in the interest of justice.*

2. The Applicant has placed the facts through this I.A. in the following manner: -

2.1. It is stated and submitted that the application under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") for initiation of CIRP against **MEHSANA DAIRY AND FOOD PRODUCTS LIMITED** ("Corporate Debtor") was admitted by the Adjudicating Authority

vide order dated 25.06.2026, whereby the Applicant was appointed as the Interim Resolution Professional.

2.2. It is stated and submitted that upon receipt of the order dated 25.06.2026, the Applicant, in compliance with Section 15 of the IBC, made a public announcement in Form-A on 28.06.2026 in the following newspapers, inviting claims from the creditors of the Corporate Debtor: -

(a) Financial Express, Ahmedabad Edition (English and Gujarati); and

(b) Financial Express, Delhi Edition (English and Hindi).

2.3. It is stated that on 17.07.2026, the Applicant received an email from the Suspended Directors enclosing the electricity bill for the period from 15.05.2026 to 15.06.2026 and requesting payment thereof. The Applicant, vide email dated 17.07.2026, informed the Respondent about the ongoing CIRP and requested continuation of electricity supply, being an essential service under Section 14 of the IBC, as the Corporate Debtor is a going concern.

2.4. It is stated that vide email dated 17.07.2026, the Suspended Directors shared the contact details of the concerned official of the Respondent. Thereafter, the Applicant contacted the Respondent's officials and requested them to cooperate, continue the electricity supply, and file their claim for the dues pertaining to

the pre-CIRP period.

- 2.5. It is stated that on 18.07.2026, the Applicant's representatives personally visited the Respondent's office and informed it about the initiation of CIRP and the moratorium under Section 14 of the IBC. Despite being apprised that the Corporate Debtor is a going concern and that electricity is an essential service, the Respondent refused to continue the electricity supply. The Applicant assured the Respondent that an appropriate application would be filed before the Adjudicating Authority seeking directions regarding payment of the pre-CIRP electricity dues and requested continuation of supply in the meantime; however, the Respondent declined the request.
- 2.6. It is stated that on 18.07.2026, the Respondent visited the premises of the Corporate Debtor with the intention of disconnecting the electricity supply towards the outstanding pre-CIRP dues. The Applicant noted that the Corporate Debtor is engaged in manufacturing dairy products and had perishable inventory, including ice cream, valued at approximately Rs.60–70 lakhs, stored in cold storage facilities. Disconnection of electricity would have resulted in irreparable loss to the Corporate Debtor by damaging the inventory and adversely affecting its operations.
- 2.7. It is stated that uninterrupted electricity supply was

essential for preserving the assets of the Corporate Debtor and maintaining it as a going concern during the CIRP. Accordingly, solely to safeguard the assets and ensure continuity of operations, and without prejudice to its rights under the IBC, the Applicant was constrained to pay the electricity bill of Rs.26,40,809.54 for the period from 16.05.2026 to 15.06.2026.

2.8. It is stated that the Respondent, without granting the Applicant reasonable opportunity to approach the Adjudicating Authority, deputed its officials to the premises of the Corporate Debtor for disconnection of electricity supply. The Respondent did not even grant the Applicant a day to seek appropriate directions regarding payment of the pre-CIRP electricity dues, particularly when the NCLAT, vide order dated 03.07.2026, had stayed the constitution of the CoC, thereby preventing the Applicant from obtaining its approval.

2.9. It is stated that in the aforesaid circumstances, to avert imminent disconnection of electricity, safeguard the perishable inventory and other assets of the Corporate Debtor, and ensure its continuity as a going concern, the Applicant had no efficacious alternative but to make payment of the electricity bill. The payment was made solely to preserve the value and assets of the Corporate Debtor and without prejudice

to the Applicant's rights and contentions under the IBC.

2.10. It is stated and submitted that the Applicant has received an electricity bill dated 15.07.2026 for Rs. 25,36,224.95 for the period from 16.06.2026 to 15.07.2026. The said bill includes charges for the period from 16.06.2026 to 24.06.2026, pertaining to the pre-CIRP period, and charges from 25.06.2026 onwards, i.e., after commencement of the CIRP.

2.11. It is stated that in view of the moratorium under Section 14 of the IBC, the Respondent is required to file its claim for pre-CIRP electricity dues in accordance with the Code, and the Applicant cannot be compelled to discharge such liability outside the CIRP mechanism. The Applicant is, however, ready and willing to pay the electricity charges for the post-CIRP period as CIRP costs, subject to segregation of the pre-CIRP and post-CIRP charges in the said bill.

2.12. It is stated that the Applicant, having exhausted all reasonable efforts to secure the Respondent's cooperation, has been left with no efficacious alternative but to approach the Adjudicating Authority under Section 60(5) of the IBC, seeking appropriate directions against the Respondent.

3. That on issuance of the notice, the **Respondent** appeared **and** has filed an **Affidavit in Reply** on 27.08.2026 vide

inward diary No. D-7199. The relevant portion of the said reply is reproduced as under:

- 3.1. It is stated and that the contents of Paragraph Nos. 1 to 3 of the Application, being matters of record, need no reply. It is, however, submitted that the Respondent was not immediately informed about the initiation of CIRP against the Corporate Debtor and the order dated 25.06.2026 passed by the Adjudicating Authority. The Respondent was informed of the same only vide intimation dated 17.07.2026 issued by the IRP.
- 3.2. It is stated that, in the meantime, the Respondent, in the ordinary course of business, raised an electricity bill of Rs.26,40,809.54 for the period from 15.05.2026 to 15.06.2026, which was duly paid. It is further submitted that the electricity connection is being supplied pursuant to an agreement executed between the Director of the Corporate Debtor and the Respondent, under which the Corporate Debtor is required to regularly pay the electricity charges. In case of non-payment, the Respondent has the contractual right to take appropriate action in accordance with the agreement and applicable law.
- 3.3. It is stated and submitted that the contents of Paragraph Nos. 4 to 6, being matters internal to the Corporate Debtor and the Interim Resolution

Professional, are not within the knowledge of the Respondent and, therefore, require no reply.

3.4. It is stated and submitted that the contents of Paragraph No. 7 are not wholly true and are, therefore, not admitted. It is, however, admitted that the Applicant's representatives visited the Respondent's office on 18.07.2026. At the relevant time, the Respondent was not aware of the present proceedings, as the same was informed by the Applicant only vide letter dated 17.07.2026.

3.5. It is stated and submitted that the contents of Paragraph Nos. 8 and 9 are not wholly true and are, therefore, denied. It is denied that on 18.07.2026, the Respondent visited the premises of the Corporate Debtor with an intention to disconnect the electricity supply. The Respondent was merely acting in accordance with its policy and the agreement executed with the Corporate Debtor, which permits disconnection for non-payment of dues. It is further submitted that the Respondent is a statutory body providing an essential service and is governed by the Electricity Act and the Supply Code. The Corporate Debtor cannot avail such services without informing the Respondent of its financial condition and subsequently claim that its liabilities stand extinguished upon commencement of CIRP. The Respondent cannot be compelled to continue

supplying electricity unless its dues are paid.

- 3.6. It is stated and submitted that in this context, it is relevant to refer to the following passage from the judgment of the Hon'ble Supreme Court in **K.C. Ninan Vs. Kerala State Electricity Board and Ors., 2023 SCC OnLine SC 663**. Speaking for the Bench, the Hon'ble Chief Justice observed:

"117....the failure or inability to recover outstanding electricity dues would negatively impact the functioning of the public utilities and licencees.... In the larger public interest, conditions are incorporated in subordinate legislation whereby 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, electric utilities would be left without any recourse and would be compelled to grant fresh electricity connection, even when huge arrears of electricity or outstanding. Besides impacting the financial health of the utilities, this would impact the wider body of consumers." It will be appreciable if the Parliament considers the views of Supreme Court in K.C.Ninan's case in all seriousness for protecting the statutory dues and other commercial dues payable to Government run companies or corporations which has the potential of adding to the financial burden of the

common man. It is not about what constitutes a statutory liability that concerns this Court, but why should there be a social distribution of the liability of the corporate debtor, when in the best of times the latter hardly may have shared its profit with the society, except perhaps to the extent mandated by law through Corporate Social Responsibility. For instance, if electricity-distribution- licensees suffer loss in the water-fall mechanism because of their classification as operational creditors, this loss will eventually be spread socially on other consumers.

- 3.7. It is stated and submitted that the contents of Paragraph Nos. 10 and 11 of the Application are not true and are, therefore, not admitted. It is further submitted that all actions taken by the Respondent were strictly in accordance with its applicable policy.
- 3.8. It is stated and submitted that with respect to the contents of Paragraph No. 12 of the Application, the Respondent is entitled to issue electricity bills for the supply of electrical energy and, accordingly, issued a bill of Rs.25,36,224.95 for the period from 16.06.2026 to 15.07.2026.
- 3.9. It is stated and submitted that the order dated 25.06.2026 passed by the Adjudicating Authority has been challenged by the Director of the Corporate Debtor before the NCLAT. The appeal has been admitted, and the Appellate Tribunal, vide order dated

03.07.2026, has further observed as under:

5. The RP to collate the claims in pursuance of the publication, however, shall not constitute the CoC till the next date.

The company shall run under supervision of the IRP. The suspended directors and the employees of the company shall give assistance to the IRP for running the company.

3.10. It is stated and submitted that, as per the aforesaid order of the NCLAT, the Applicant is required only to supervise the Corporate Debtor. However, by way of the present Application, the Applicant has sought directions from the Adjudicating Authority against the Respondent for refund of the electricity bill amount paid or adjustment thereof against the post-CIRP dues.

3.11. It is stated and submitted that when the NCLAT directs that no CoC shall be constituted, the IRP is required to pause the constitution of the CoC, thereby halting the decision-making process of the CIRP. In such circumstances, the CIRP process remains in abeyance, and therefore, there arises no question of the IRP seeking refund of the electricity bill amount paid or adjustment thereof against future electricity dues.

3.12. It is stated and submitted that, without prejudice to

the foregoing, it is settled law that the moratorium under Section 14 of the IBC applies to the Corporate Debtor and not to its Directors. The Respondent relies upon the judgment of the Hon'ble Supreme Court in Anjali Rathi & Ors. Vs. Today Homes Infrastructure Pvt. Ltd. & Ors., Special Leave Petition No. 12150/2019, decided on 08.09.2021, wherein the Hon'ble Supreme Court observed in Paragraph No. 15 as under:

"15 At this juncture, we must however clarify the right of the petitioners to move against the promoters of the first respondent Corporate Debtor, even though a moratorium has been declared under Section 14 of the IBC. In the judgment in P. Mohanraj v. Shah Bros. Ispat (P) Ltd. (2021) 6 SCC 258, a three judge Bench of this Court held that proceedings under Section 138 and 141 of the Negotiable Instruments Act 1881 against the Corporate Debtor would be covered by the moratorium provision under Section 14 of the IBC. However, it clarified that the moratorium was only in relation to the Corporate Debtor (as highlighted above) and not in respect of the directors/management of the Corporate Debtor, against whom proceedings could continue. Speaking through Justice Rohinton F Nariman, the

Court held:

"102. Since the corporate debtor would be covered by the moratorium provision contained in Section 14 IBC, by which continuation of Sections 138/141 proceedings against the corporate debtor and initiation of Sections 138/141 proceedings against the said debtor during the corporate insolvency resolution process are interdicted, what is stated in paras 51 and 59 in *Aneeta Hada* [*Aneeta Hada v. Godfather Travels & Tours (P) Ltd.*, (2012) 5 SCC 661: (2012) 3 SCC (Civ) 350 (2012) 3 SCC (Cri) 241] would then become applicable. The legal impediment contained in Section 14 IBC would make it impossible for such proceeding to continue or be instituted against the corporate debtor. Thus, for the period of moratorium, since no Sections 138/141 proceeding can continue or be initiated against the corporate debtor because of a statutory bar, such proceedings can be initiated or continued against the persons mentioned in Sections 141(1) and (2) of the Negotiable Instruments Act. This being the case, **it is clear that the moratorium provision contained in Section 14 IBC would apply only to the corporate debtor, the natural persons mentioned in Section 141 continuing to be statutorily liable under Chapter XVII of the Negotiable Instruments Act.**" (emphasis supplied) We thus clarify that the petitioners would not be prevented by the

moratorium under Section 14 of the IBC from initiating proceedings against the promoters of the first respondent Corporate Debtor in relation to honoring the settlements reached before this Court".

Similarly, in the decision in **Ajay Kumar Radheyshyam Goenka Tourism Finance Corporation of India Ltd., (2023) 10 SCC 545** the Hon'ble Supreme Court has held that the **moratorium under Section 14 IBC shall not protect the signatories and the directors of the corporate debtor because the said moratorium is only with respect to the corporate debtor, and not the individuals.** It is submitted in the case of **Rakesh Bhanot Vs. M/s. Gurudas Agro Private Ltd., Criminal Appeal No.1609/2025 decided on 01.04.2025**, the Hon'ble Supreme Court, after referring to Sections 94, 96 and 101 of the IB Code, observed in para-10.1 thereof as under:

*"10.1. From the above provisions, it is clear that the term "Corporate Person" includes a company as defined under Section 2(20) of the Companies Act, 2013, and a Limited Liability Partnership. However, there is a subtle difference in the protection available to the Directors and the Partners. **In case of a partnership firm, the interim moratorium protects not only the firm, but also the partners. But in case of a company, such***

protection is available only to the company and not to its directors....."

It is respectfully submitted that the aforesaid view has once again been reiterated by the Hon'ble Supreme Court, in the case between Tejas J. Shah and Amisha T. Shah & Ors. Vs. Mantri Technology Constellations Pvt. Ltd., Civil Appeal No.4289-4290/2025 decided on 27.07.2026, wherein the Hon'ble Court had an occasion as to whether or not Moratorium is applicable to the Directors of a company. The Hon'ble Supreme Court held that Moratorium is applicable only to the Corporate Debtor and not to any other person, including promoters and directors and thereby observed that the NCLT was erroneous in protecting such Directors. The Hon'ble Supreme Court observed in para-6, 7, 11 & 13 as under:

"6. The scope of the moratorium is statutory. It is not open either to the adjudicating authority or the Court to enlarge its ambit beyond what the statute contemplates. A plain reading of the provision makes it clear that the moratorium operates against the corporate debtor alone. No other category, whether it be any subsidiary company, any managers/ directors, personal guarantors etc. can be added to it unless specifically provided. This Court in P. Mohanraj v. Shah Brothers Ispat Pvt Ltd. while discussing the scope

of applicability of the moratorium on Section 138 of Negotiable Instruments Act, 1881 proceedings, noted that Section 14 applied only to the corporate debtor and that natural persons can be held liable under the Act.

7. Again in *Ansal Crown Heights Flat Buyers Association v. Ansal Crown Infrabuild Pvt. Ltd.* wherein a consumer complaint was filed against the developers, this Court held that a moratorium against the corporate debtor does not give protection to the promoters and directors of the corporate debtor and that proceedings can continue against them.

11. In our view, this approach is erroneous. In the present case, Respondent No.1 alone is the corporate debtor against whom the CIRP has been initiated. No independent moratorium or independent protection operates in favour of Respondent Nos. 2 to 7. In the absence of any legal bar against continuation of proceedings qua the said respondents, the NCDRC was not justified in rejecting appellants' prayer to proceed with the complaint against the rest of the respondents.

13. The question that fell for consideration while deciding the interlocutory applications was not whether Respondent Nos.2 to 7 were liable. The question was whether, in the absence of any moratorium operating in their favour, the consumer complaint could proceed against them. In the absence of any such statutory bar,

the Commission was required to adjudicate the complaint against the said respondents and determine, upon consideration of the rival pleadings and objections, whether any liability could ultimately be fastened upon them. It was not open to the Commission to foreclose that inquiry at the interlocutory stage. The impugned order cannot be sustained as it declines to undertake the said exercise."

3.13. It is stated and submitted that, in the present case, the agreement was executed by the Director of the Corporate Debtor, who had personally guaranteed payment of the electricity dues. Accordingly, the Respondent is entitled to recover the said dues, and the prayers sought in the present Application are liable to be rejected.

4. The Applicant has also filed an affidavit in **Rejoinder** to the reply filed by the Respondents, on 09.09.2026 vide inward diary No.D-7671, denying contentions raised by the Respondent in his reply. The contents of the Rejoinder are reproduced as follows: -

4.1. It is stated that the contents of Paragraph Nos. 4 and 5 of the Reply are denied to the extent they seek to attribute any personal liability, guarantee, or independent obligation to the Director under the Supply Agreement dated 18.04.2024. The Supply

Agreement was executed by the erstwhile Director/authorised signatory in his representative capacity, for and on behalf of the Corporate Debtor, and not in his personal capacity. The Respondent has also not placed on record any separate deed of personal guarantee executed by the Director in his individual capacity in favour of the Respondent.

4.2. It is stated and submitted that the contents of Paragraph No. 6 of the Reply are denied as misconceived and inapplicable to the facts of the present case. Without prejudice to the aforesaid, it is submitted as under:

I. State Tax Officer v. Rainbow Papers Ltd. concerned the status of a statutory/secured creditor for the purposes of approval of a resolution plan under Section 30(2) of the Code, and has no application whatsoever to the question raised in the present Interlocutory Application, namely, whether a distribution licensee may coercively disconnect, electricity supply to a Corporate Debtor during the moratorium in order to recover pre-CIRP dues, contrary to Section 14(2) of the Code.

II. K.C. Ninan v. Kerala State Electricity Board and Empee Distilleries Ltd. were both cases concerning the right of a distribution licensee to insist upon clearance of arrears of a predecessor

consumer/occupier as a pre-condition for grant of a fresh electricity connection to a new consumer/subsequent owner or occupier of the premises. Neither decision concerns, nor could it concern, the distinct and subsequent question of disconnection of an existing, continuing connection to a Corporate Debtor that is undergoing CIRP as a going concern, which is governed exclusively by Section 14(2) of the Code and not by the general law relating to recovery of electricity arrears from successive occupiers.

- 4.3. It is stated that Paragraph No. 7 of the Reply is not denied to the extent it correctly records that the Respondent “shall file its claim before the IRP” and that recovery of pre-CIRP dues is to be dealt with in accordance with the waterfall mechanism under Section 53 of the IBC. The Applicant submits that the said averment of the Respondent amounts to a clear admission supporting Prayer (d) of the present Application.
- 4.4. It is stated that the contents of Paragraph No. 10 of the Reply are denied to the extent inconsistent with the record. It is specifically denied that the payment of Rs. 26,40,809.54 was made in the ordinary course. The said payment was made on 18.07.2026 solely to avert disconnection of electricity supply and consequent irreparable harm to the Corporate Debtor, including

spoilage of perishable dairy and ice-cream inventory valued at approximately Rs. 60–70 lakhs, disruption of its ongoing supply contract with Mother Dairy involving processing of approximately 75,000 litres of milk per day, and the risk of invocation of a bank guarantee of Rs.1 crore furnished in connection with the said contract.

- 4.5. It is stated and submitted that Paragraph No. 11 of the Reply, wherein the Respondent states that it is unable to reply to Paragraph Nos. 4 to 6 of the Application on the ground that the same are “internal” matters between the Corporate Debtor and the Applicant, is admitted.
- 4.6. It is stated that the contents of Paragraph No. 12 of the Reply are denied. It is denied that the Respondent was “absolutely unaware” of the CIRP proceedings until the Applicant’s letter dated 17.07.2026. It is submitted that the public announcement under Section 15 of the IBC was made on 28.06.2026 in two editions of a widely circulated national daily, inviting claims from the creditors of the Corporate Debtor. It is further submitted that, upon receiving intimation on 17.07.2026, the Respondent’s representatives visited the premises of the Corporate Debtor within 24 hours, on 18.07.2026, with a view to disconnecting the electricity supply, without affording the Applicant reasonable opportunity to approach the Adjudicating

Authority for appropriate directions.

- 4.7. It is stated that the contents of Paragraph No. 13 of the Reply are denied. It is reiterated that, as set out in Paragraph Nos. 7 to 9 of the Application and supported by contemporaneous email correspondence dated 17.07.2026 (Annexure-3), the Respondent's representatives visited the premises of the Corporate Debtor on 18.07.2026 with the intention of disconnecting electricity supply towards pre-CIRP dues. Despite repeated requests by the Applicant, both telephonically and through its authorised consultant who personally visited the Respondent's office, the Respondent refused to defer the disconnection and permit the Applicant to approach the Adjudicating Authority for appropriate directions. The bare denial in the Reply, unsupported by any contemporaneous document, cannot displace the documentary record placed on record.
- 4.8. It is stated and submitted that the passage from *K.C. Ninan* reproduced at Paragraph No. 14 of the Reply itself records that recoupment of electricity arrears is permissible only through the conditions prescribed under subordinate legislation. In the case of a Corporate Debtor undergoing CIRP, the prescribed mechanism for recovery of pre-CIRP dues is submission of the claim before the IRP/RP under Section 18 of the IBC and the applicable CIRP Regulations, with payment

thereafter in accordance with the waterfall mechanism under Section 53 of the IBC.

4.9. It is stated and submitted that the contents of Paragraph Nos. 16 and 17 of the Reply are admitted to the extent they confirm the issuance of the subsequent electricity bill of Rs. 25,36,224.95 for the period from 16.06.2026 to 15.07.2026, which has already been placed on record by the Applicant as Annexure-6 to the Application.

4.10. It is stated and submitted that the contents of Paragraph Nos. 18 and 19 are denied. The order dated 03.07.2026 passed by the NCLAT is a matter of record. It is, however, denied that the said order staying the constitution of the CoC has the effect of suspending or affecting the protections available to the Corporate Debtor under Sections 14(1) and 14(2) of the IBC, which came into effect from the date of the CIRP Order dated 25.06.2026 and continue irrespective of the constitution of the CoC.

4.11. It is stated and submitted that the contents of Paragraph No. 20 of the Reply, including the decisions relied upon therein, namely, *Anjali Rathi & Ors. v. Today Homes Infrastructure Pvt. Ltd. & Ors.*, *Ajay Kumar Radheyshyam Goenka v. Tourism Finance Corporation of India Ltd.*, *Rakesh Bhanot v. M/s. Gurudas Argo Private Ltd.*, and *Tejas J. Shah v. Mantri Technology Constellations Pvt. Ltd.*, are denied as being

wholly misconceived and inapplicable to the facts and circumstances of the present case.

4.12. It is stated and submitted that each of the said decisions was rendered in the context of proceedings sought to be initiated or continued against directors, promoters, or personal guarantors in their individual capacity, including criminal complaints under Sections 138/141 of the Negotiable Instruments Act, 1881, or civil/consumer proceedings against promoters personally. The ratio of the said decisions is confined to the proposition that the moratorium under Section 14 of the IBC protects only the Corporate Debtor and does not extend to persons associated with it in their personal capacity, and therefore, proceedings against such persons may continue notwithstanding the moratorium.

4.13. It is stated and submitted that the present Application does not seek any protection or immunity for any director, promoter, or person associated with the Corporate Debtor. Rather, it seeks protection for the Corporate Debtor itself, its assets, and its status as a going concern. Such protection flows directly and exclusively from Sections 14(1) and 14(2) of the IBC and does not, in any manner, depend upon the law relating to the personal liability of directors, promoters, or guarantors.

4.14. It is stated and submitted that the concluding

paragraphs of the Reply, asserting that the Respondent is “rightly entitled to recover dues” on account of an alleged personal guarantee and seeking rejection of the present Application, are denied for the reasons set out hereinabove. It is reiterated that no personal guarantee has been demonstrated to exist on record. In any event, the recovery of pre-CIRP dues from the Corporate Debtor itself is governed by Section 14 of the IBC and the claims mechanism prescribed thereunder, and not by principles applicable to recovery from personal guarantors.

5. The Applicant has filed a **written submissions** on 16.09.2026, vide inward diary No. D-7894. The same is taken on record.
6. The Respondent has also filed **written submissions** on 16.09.2026 through e-mode. The same is also taken on record.
7. We have heard the learned Counsel for the Applicant and the Learned Counsel for Respondent and perused the Application, Affidavit-in-Reply, Rejoinder, written submissions and documents placed on record. The CIRP commenced on **25.06.2026** and the moratorium under

Section 14 of the Insolvency and Bankruptcy Code, 2016 ("Code") became operative from that date.

8. The record shows that the Respondent was intimated about commencement of CIRP on **17.07.2026**. The Applicant thereafter paid **Rs.26,40,809.54** towards the electricity bill pertaining to the pre-CIRP period, stating that payment was made to prevent disconnection and preserve perishable dairy inventory and the Corporate Debtor as a going concern.
9. The Applicant has pleaded that the bill so discharged pertained to the period **16.05.2026 to 15.06.2026**, prior to commencement of CIRP, and that payment was made without prejudice when disconnection was apprehended. The record further refers to perishable inventory valued at approximately **Rs.60-70 lakhs**, requiring uninterrupted refrigeration.
10. Section 14(2) of the Code protects supply of essential goods or services to a Corporate Debtor during moratorium, whereas Section 14(2-A) governs supplies considered critical for preserving the value of the Corporate Debtor and managing it as a going concern.

Regulation 32 of the CIRP Regulations, 2016 includes electricity within essential supplies, subject to its statutory conditions.

- 11.** The Respondent contends that electricity was supplied pursuant to the arrangement dated **18.04.2024**, executed through the Director of the Corporate Debtor, and relies upon its contractual and statutory rights concerning payment of electricity charges. The Applicant, however, submits that the Director executed the arrangement only in a representative capacity and that no independent personal guarantee has been produced.
- 12.** In *K.C. Ninan v. Kerala State Electricity Board & Ors.*, (2023) 14 SCC 431 : 2023 SCC OnLine SC 663, the Hon'ble Supreme Court considered recovery of electricity arrears in the context of subsequent owners/occupiers and the conditions governing supply or reconnection. The ratio does not, by itself, authorise recovery from a Corporate Debtor contrary to the subsisting statutory framework of CIRP and moratorium.
- 13.** The Respondent has relied upon *Anjali Rathi & Ors. v.*

Today Homes & Infrastructure Pvt. Ltd. & Ors., SLP (C) No.12150 of 2019, decided on 08.09.2021, *Ajay Kumar Radheyshyam Goenka v. Tourism Finance Corporation of India Ltd.*, (2023) 10 SCC 545, *Rakesh Bhanot v. M/s Gurudas Agro Pvt. Ltd.*, Criminal Appeal No.1609 of 2025, decided on 01.04.2025, and *Tejas J. Shah & Anr. v. Mantri Technology Constellations Pvt. Ltd.*, Civil Appeal Nos.4289-4290 of 2025, decided on 27.07.2026, to contend that Section 14 does not extend to directors or other natural persons. The said authorities concern proceedings against persons other than the Corporate Debtor and do not directly determine the legality of recovery of pre-CIRP electricity dues from the Corporate Debtor during CIRP.

- 14.** The Applicant has also distinguished *State Tax Officer v. Rainbow Papers Ltd.*, (2023) 9 SCC 545 on the ground that the said decision concerns treatment of statutory dues and secured-creditor status in a resolution plan and not interruption of electricity supply during moratorium. We find that the said authority does not determine the controversy presently arising under Section 14(2)/(2-A).

- 15.** The decision in *Empee Distilleries Ltd.* arises in a materially different factual context concerning electricity arrears and reconnection/fresh supply to a subsequent purchaser. The said decision therefore does not, by itself, determine the present controversy concerning continuation of an existing electricity connection of the Corporate Debtor during CIRP.
- 16.** The order dated 03.07.2026 passed by the Hon'ble NCLAT, as placed on record, directed the RP to collate claims but restrained constitution of the CoC till the next date and directed that the Corporate Debtor be run under the supervision of the IRP. The said order does not record suspension of the CIRP or vacation of the moratorium declared under Section 14 of the Code.
- 17.** Consequently, the Respondent's submission that restraint on constitution of the CoC placed the entire CIRP in abeyance cannot be accepted on the basis of the order placed on record. The moratorium declared under Section 14 was not shown to have been vacated or stayed by the said order.

- 18.** The further bill of **Rs.25,36,224.95**, dated 15.07.2026, covers the composite period **16.06.2026 to 15.07.2026**. Since CIRP commenced on 25.06.2026, the charges up to 24.06.2026 constitute pre-CIRP dues, whereas charges attributable from 25.06.2026 onwards require treatment in accordance with the provisions governing CIRP-period supplies and costs. The Respondent shall furnish the charge corresponding to the 16.06.2026 to 24.06.2026 and 25.06.2026 to 15.07.2026 that formed bill for the month of Rs 25,36,224.95. This split be provided within 15 days of this order to the corporate debtor/IRP.
- 19.** The character of an electricity liability as pre-CIRP or CIRP-period liability is determined by the period to which the underlying consumption and charges relate. Payment made after commencement of CIRP towards a pre-CIRP liability does not, by that circumstance alone, alter the character of the underlying liability. The question whether such payment was obtained through an impermissible recovery during moratorium has to be determined on the facts and documents of the present case.

20. The Respondent is entitled to receive payment of electricity charges accruing for the period subsequent to commencement of the CIRP. The moratorium under Section 14 of the Code does not extinguish the liability of the Corporate Debtor to meet the charges for electricity supplied during the CIRP. However, the Respondent cannot recover or appropriate any **pre-CIRP electricity dues** from the Corporate Debtor otherwise than in accordance with the insolvency process. Any action regarding interruption or discontinuance of electricity supply for non-payment shall be governed by **Sections 14(2) and 14(2-A) of the Code, the applicable CIRP Regulations and the governing electricity law**, subject to payment of the dues arising during the moratorium.

21. In the present case, the Respondent was admittedly informed of the commencement of CIRP on 17.07.2026, whereas the amount of Rs.26,40,809.54 was paid thereafter towards electricity charges pertaining to the period prior to the insolvency commencement date. The Applicant has specifically pleaded that the payment was made to avert threatened discontinuance of electricity

supply, whereas the Respondent has denied that its officials visited the premises with an intention to disconnect the supply.

On consideration of the pleadings and material placed on record, the payment cannot be treated as a CIRP-period liability merely by reason of the date of payment. The Respondent is required to deal with the underlying pre-CIRP dues through the insolvency process and cannot recover such dues from the Corporate Debtor by taking recourse to interruption of essential/critical electricity supply during the moratorium.

22. The Respondent shall segregate the electricity dues attributable to the period preceding 25.06.2026 from the charges accruing thereafter and shall submit/maintain its claim for the pre-CIRP dues before the IRP/RP in accordance with the Code and the applicable Regulations. The Respondent shall not discontinue the existing electricity supply solely for recovery of pre-CIRP dues during the subsistence of the moratorium.

23. The Respondent is directed to adjust the payment already

made of Rs 25,36,224.95 towards the electricity bill for the period starting 25.06.2026 only.

24. It is clarified that this order does not adjudicate upon any independent liability of any Director, guarantor or other person in his individual capacity, which may be asserted by the Respondent in accordance with law and on the basis of the relevant contractual documents. The question whether any such independent liability exists is left open.

25. In view of the foregoing, **I.A. No.1230 of 2026 is partly allowed and disposed of** in the above terms. The Respondent shall comply with the directions contained herein within **seven days** from the date of receipt of this order. There shall be no order as to costs.

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SANJEEV SHARMA
MEMBER (TECHNICAL)

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SHAMMI KHAN
MEMBER (JUDICIAL)