

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
06-07-2026 After Court-II**

**CP(IB) No. 259/7/HDB /2023**

**AND**

**IA (IBC) 519/2026 in CP(IB) No. 259/7/HDB /2023**

u/s. 7 of IBC, 2016

**IN THE MATTER OF:**

M/s. Prudential Ammana Sugars Limited

**...Financial Creditor**

**AND**

M/s. Trident Sugars Limited

**...Corporate Debtor**

**C O R A M:-**

**SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

**IA (IBC) 519/2026**

**Present:** Ms. Haneefa Mubin, Ld. Counsel for the Applicant.

Ms. Gayathri Haripriya, Ld. Counsel for the Respondent.

**Orders pronounced, recorded vide separate sheets.**

**In the result, this application is dismissed.**

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**HYDERABAD BENCH, COURT-I**

**I.A No. 519 of 2026**

**IN**

**C.P (IB) No.259/7/HDB/2023**

**[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016, r/w  
Rules 11 and 13 of National Company Law Tribunal Rules, 2016]**

**IN THE MATTER OF M/S. TRIDENT SUGARS LIMITED**

**Between:**

**M/s Delta Sourcing**

Office at 8-13-95/77, 1st floor,  
Opp NPA, Roy Chambers,  
Raghavendra Colony,  
Shivram Colony, Hyderabad- 500052

**...Applicant**

**AND**

**Telangana Southern Power Distribution Company Limited (TGSPDCL),**

Office at 6-1-50, Mint Compound,  
Lakdikapool, Hyderabad - 500004

**...Respondent**

**Date of Order: 06.07.2026**

**Coram:**

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

**Counsels Present**

For Applicant : Ms. Haneefa Mubin, Ld. Counsel

For Respondent : Mr. Shaik Gouse, Ld. Counsel

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The present Application has been filed by M/s Delta Sourcing (Applicant), the Successful Resolution Applicant (SRA) of M/s Trident Sugars Limited (Corporate Debtor), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (IBC/Code), read with Rules 11 and 13 of the National Company Law Tribunal Rules, 2016, seeking a declaration that the demands raised and amounts recovered by Telangana Southern Power Distribution Company Limited (TGSPDCL/Respondent) beyond the approved Resolution Plan are illegal and void, and consequently, to restrain the Respondent from raising any further demands or taking any coercive action inconsistent with the approved Resolution Plan.

**1. Applicant's Submissions**

- i) The Applicant submits that the Corporate Debtor, Trident Sugars Limited, was admitted into the Corporate Insolvency Resolution Process (CIRP) on 09.07.2024. The Resolution Plan submitted by the Applicant was approved by the Committee of Creditors with 100% voting share and thereafter came to be approved by this Adjudicating Authority vide order dated 04.06.2025.
- ii) It is the case of the Applicant that, in terms of the approved Resolution Plan, the admitted pre-CIRP dues payable to the Respondent stood fully and finally settled upon payment of Rs.42,47,947/- on 01.10.2025, and consequently, all prior liabilities stood extinguished.
- iii) The Applicant contends that, despite the approved Resolution Plan, the Respondent raised fresh demands aggregating to approximately Rs.2,25,19,249/- as a condition precedent for restoration of electricity supply, which is stated to be dehors the Resolution Plan. According to the Applicant, owing to the seasonal nature of the sugar industry and the imminent closure of crushing operations, it was compelled to pay the said amount under protest, comprising Rs.1,00,00,000/- through Demand Draft dated 12.01.2026, Rs.43,362/- through Demand Draft

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dated 13.01.2026 and Rs.1,24,75,887/- through RTGS, solely to prevent irreparable commercial collapse of the Corporate Debtor. The Applicant further states that the Respondent also collected Development Charges and Security Deposit aggregating to Rs.10,80,000/-.

- iv) The Applicant further submits that, instead of deciding its representations seeking restoration of electricity supply in accordance with the approved Resolution Plan, the Respondent repeatedly called upon the Applicant to visit its office for nearly forty-five days without passing any written order, while orally insisting that electricity supply would be restored only upon payment of the aforesaid amount.
- v) The Applicant further states that the Respondent has challenged the order approving the Resolution Plan before the Hon'ble National Company Law Appellate Tribunal, Chennai Bench in Company Appeal (AT) (Ins.) No. 491 of 2025, which is pending. It is submitted that, during the pendency of the said appeal, the Respondent restored electricity supply on 23.01.2026 and that there was no stay of the Resolution Plan approval order at any stage.
- vi) According to the Applicant, the Respondent continues to retain the amounts collected under protest as well as the cheque without any adjudicated liability or authority under the approved Resolution Plan. It is further contended that the Respondent's actions frustrated the implementation timeline under the Resolution Plan, causing prejudice to the Corporate Debtor, the Applicant, farmers, workmen and other stakeholders, thereby defeating the objective of the Insolvency and Bankruptcy Code.
- vii) It is submitted that an approved Resolution Plan under Section 31(1) of the Code is binding on all stakeholders, including State instrumentalities and statutory authorities. In support of this

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contention, reliance has been placed upon the cases of ***Swiss Ribbons Pvt. Ltd. v. Union of India (2019)***, ***Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd. (2021)***, and ***Ruchi Soya Industries Ltd. v. Union of India (2022)***, to contend that upon approval of a Resolution Plan, all claims not forming part of the Plan stand extinguished and no recovery can thereafter be made in respect of such claims. It is contended that any demand raised by the Respondent beyond the approved Resolution Plan is illegal and void.

- viii) The Applicant further alleges that, despite being fully aware of the binding nature of the approved Resolution Plan, the Respondent deliberately withheld restoration of an essential service to compel payment under economic duress, which, according to the Applicant, amounts to a colourable exercise of power and unjust enrichment by a public authority. It is further contended that payments made under protest for securing restoration of essential services cannot be treated as voluntary or lawful and that amounts collected without authority of law are liable to be refunded together with interest.
- ix) Lastly, the Applicant submits that the Corporate Debtor is engaged in seasonal sugar manufacturing and that the Respondent's actions, including the alleged threat of presenting the undated cheque furnished under protest, have caused serious prejudice to its business operations, resulting in irreparable loss and frustrating the objective of keeping the Corporate Debtor as a going concern.
- x) The Applicant has, accordingly, prayed for a declaration that the demands raised and amounts collected by the Respondent beyond the approved Resolution Plan are illegal, arbitrary and void; to restrain the Respondent from raising any future demands or taking coercive action inconsistent with the approved Resolution Plan; and for a declaration

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that the Respondent is bound to strictly abide by and implement the approved Resolution Plan.

**2. Counter filed by Respondent:**

- i. At the outset, the Respondent contends that the Application is misconceived, devoid of merits, liable to be dismissed in limine, and that the Applicant has approached this Adjudicating Authority without clean hands by suppressing material facts and documents relating to the restoration of power supply. According to the Respondent, the Applicant has selectively presented the facts to create an erroneous impression that pre-CIRP dues were unlawfully recovered.
- ii. The Respondent submits that the Applicant has deliberately suppressed the proceedings dated 23.01.2026, which records that restoration of power supply was granted subject to stipulated conditions, including the payment arrangement accepted by the Applicant, furnishing of demand drafts, cheque and compliance with other restoration requirements.
- iii. It is further contended that the Applicant voluntarily accepted the said payment arrangement, furnished Demand Drafts aggregating to Rs.1,00,43,362/-, issued a cheque for Rs.1,24,75,887/-, sought time for payment of the balance amount and executed an undertaking dated 23.01.2026 requesting restoration of electricity supply. According to the Respondent, the undertaking contains no allegation of coercion, duress, protest or illegality.
- iv. The Respondent further submits that the Applicant has also suppressed the subsequent proceedings dated 20.02.2026 reiterating the restoration conditions and recording the undertaking and payment arrangement, as well as the fact that the cheque furnished by the Applicant was dishonoured and the amount was thereafter remitted through RTGS on 02.03.2026 without any protest.

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- v. The Respondent further submits that it had submitted a claim before the Resolution Professional for Rs.20,18,34,414/-, which was admitted in full, whereas under the approved Resolution Plan it was allocated only Rs.42,47,947/-. Aggrieved thereby, the Respondent has filed Company Appeal (AT) (CH) No.491 of 2025 before the Hon'ble NCLAT, Chennai, which is stated to be pending. It is contended that the Applicant has failed to establish any nexus between the amount of Rs.2,25,19,249/- paid by it and the Respondent's admitted CIRP claim, and that had the Respondent intended to recover its admitted CIRP dues, there was no reason to seek only the aforesaid amount against an admitted claim of Rs.20,18,34,414/-.
- vi. The Respondent submits that the Applicant itself approached the Respondent seeking restoration of power supply after approval of the Resolution Plan, fully aware of the admitted claim and the pendency of the appeal before the Hon'ble NCLAT. Pursuant thereto, the Applicant voluntarily accepted the restoration conditions, executed the undertaking, furnished the required payment instruments and obtained restoration of electricity supply. It is therefore denied that the Respondent compelled the Applicant to make payment under protest or unlawfully demanded extinguished pre-CIRP dues. According to the Respondent, the Applicant has not produced any contemporaneous protest letter, legal notice, representation or other document evidencing that the payments were made under protest.
- vii. The Respondent further contends that the proceedings dated 23.01.2026 relied upon by the Applicant themselves do not describe the amount of Rs.2,25,19,249/- as payment towards extinguished CIRP dues but merely record the conditions for restoration of power supply, including development charges, security deposit, undertaking and other compliance requirements. It is submitted that the Applicant has

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deliberately isolated one component of the proceedings while ignoring the entire restoration process.

- viii. The Respondent has denied the Applicant's allegations of arbitrary delay in restoration of electricity supply and submits that restoration was processed after the Applicant complied with the stipulated conditions and furnished the required documents and payment instruments. It is further contended that the Applicant, having voluntarily accepted the restoration arrangement, obtained restoration of electricity supply and enjoyed the benefit thereof, is estopped from challenging the same. According to the Respondent, the Applicant cannot approbate and reprobate simultaneously.
- ix. The Respondent submits that the Applicant is not entitled to any discretionary or equitable relief, and prays that the Application be dismissed with costs on the grounds of suppression of material facts, acquiescence estoppel and abuse of process of law.
3. We have heard the parties and perused entire records.
4. The Applicant contends that upon approval of the Resolution Plan under Section 31 of the Code, the Respondent's admitted claim stood settled in terms of the Resolution Plan and all pre-CIRP dues stood extinguished. It is submitted that despite the binding effect of the approved Resolution Plan, the Respondent insisted upon payment of Rs.2,25,19,249/- as a pre-condition for restoration of electricity supply. According to the Applicant, the said payment was made under protest solely to ensure continuation of the Corporate Debtor as a going concern and, therefore, the Respondent cannot retain or recover any amount beyond what is provided under the approved Resolution Plan.
5. The Respondent, while opposing the Application, contends that the Applicant has suppressed material facts relating to the restoration of electricity supply. It is submitted that the Applicant voluntarily accepted

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the conditions for restoration, furnished the requisite payment instruments and executed an undertaking seeking restoration of supply. The Respondent further contends that the Applicant has failed to establish that the amount of Rs.2,25,19,249/- represents pre-CIRP dues extinguished under the Resolution Plan.

6. In view of the rival submissions, the principal issue that arises for consideration is whether the Respondent could lawfully insist upon payment of Rs.2,25,19,249/- as a condition for restoration of electricity supply after approval of the Resolution Plan and whether the said demand represents pre-CIRP liabilities extinguished under the approved Resolution Plan.
7. Before advertng to the merits of the present case, it is necessary to consider the legal position governing the effect of an approved Resolution Plan under IBC. Section 31(1) of the Code provides that once a Resolution Plan is approved by the Adjudicating Authority, it becomes binding on the Corporate Debtor, its employees, members, creditors, guarantors and all other stakeholders, including the Central Government, State Government and local authorities to whom any statutory dues are payable. The legislative intent behind the provision is to ensure certainty and finality in the resolution process so that the Successful Resolution Applicant is able to revive the Corporate Debtor on a clean slate, free from undecided or past claims which do not form part of the approved Resolution Plan.
8. The aforesaid legal position stands settled by the Hon'ble Supreme Court in **Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors.**<sup>1</sup>, and **Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd.**<sup>2</sup>, wherein it has been held that upon approval of a Resolution Plan under Section 31 of the Code,

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<sup>1</sup> Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors., (2019) ibclaw.in 07 SC; Para 66 and 67.

<sup>2</sup> Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. and Ors., (2021) ibclaw.in 54 SC; Para 58, 61, 86, 87, and 95.

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the Resolution Plan becomes binding on all stakeholders and all claims which do not form part of the approved Resolution Plan stand extinguished. Consequently, no creditor, including statutory authorities, can thereafter assert or recover such extinguished claims dehors the approved Resolution Plan.

9. While the legal position is thus well settled, the dispute in the present case does not end there. The Applicant must also establish that the impugned demand of Rs.2,25,19,249/- was, in fact, towards pre-CIRP liabilities which stood extinguished under the approved Resolution Plan. It is only upon such factual foundation being established that the demand can be held to be contrary to the approved Resolution Plan.
10. Coming to the facts of the present case, it is the specific case of the Applicant that the Respondent insisted upon payment of Rs.2,25,19,249/- towards pre-CIRP dues. However, the material placed on record does not substantiate the said contention. Except making a bald assertion, the Applicant has not produced any material establishing the nature or composition of the said amount or demonstrating its nexus with the Respondent's admitted claim in the CIRP. There is no apparent correlation between the Respondent's admitted pre-CIRP claim of Rs.20,17,86,911/-, in respect of which it received Rs.42,47,947/- under the approved Resolution Plan, and the subsequent demand of Rs.2,25,19,249/-, which forms the subject matter of the present proceedings.
11. In this regard, it would be apposite to refer to Memo No.CE(Comml.)/SE(C)/DE(C)/ADE-II/D.No.5310/2025-26 dated 23.01.2026<sup>3</sup> issued by the Respondent, whereby approval was accorded for restoration of power supply to the terminated HT Service Connections of the Corporate Debtor. The said Memo records that approval for restoration was granted "*subject to payment of Rs.2,25,19,249/- along with Development Charges and*

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<sup>3</sup> Page 33 of the Application (Annexure 5)

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*Security Deposit and any other charges applicable based on the field conditions and submission of records by the SRA.*" The Memo further prescribes the manner in which the said amount was to be paid and stipulates various conditions required to be complied with for restoration of electricity supply.

12. Thereafter, Letter No.SE/OP/SRD/SAO/HT/D.No.1645/2025-26 dated 20.02.2026<sup>4</sup>, while referring to the aforesaid Memo dated 23.01.2026, states that approval had already been accorded for restoration of power supply and directs restoration upon collection of the "outstanding dues" mentioned therein. The expression 'outstanding dues' occurring in the said communication has to be read in the context of the earlier Memo dated 23.01.2026, wherein the amount of Rs.2,25,19,249/- had been stipulated as one of the conditions for restoration of electricity supply.
13. Significantly, neither the aforesaid Memo nor the subsequent communication describes the amount of Rs.2,25,19,249/- as representing pre-CIRP dues, electricity arrears, past liabilities of the Corporate Debtor or any portion of the Respondent's admitted claim in the CIRP. On the contrary, the documents consistently refer to the said amount in the context of restoration of electricity supply. This is also consistent with the Applicant's own email and representation dated 24.11.2025<sup>5</sup>, wherein the Applicant sought restoration of electricity supply while recording that the Respondent had earlier approved such restoration subject to payment of Security Deposit and Development Charges. Although the Applicant referred to the payment already made under the approved Resolution Plan towards the Respondent's admitted claim, it did not assert that the Respondent was insisting upon payment of any extinguished pre-CIRP dues. Thus, the record does not establish that the amount of

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<sup>4</sup> Page 14 of the Counter (Annexure 1)

<sup>5</sup> Page 30 and 31 of the Application (Annexures 2 and 3)

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Rs.2,25,19,249/- represented liabilities which stood extinguished under the approved Resolution Plan.

14. Much emphasis has been laid by the Applicant on the fact that the payments were made under protest and under commercial compulsion considering the seasonal nature of the sugar industry. While the commercial urgency surrounding restoration of electricity supply cannot be overlooked, the question before this Authority is not whether the Applicant was compelled to make the payment, but whether the amount so demanded represented pre-CIRP liabilities extinguished under the approved Resolution Plan. Even assuming that the payments were made under protest, the material placed on record does not establish any nexus between the amount of Rs.2,25,19,249/- and the Respondent's admitted pre-CIRP claim. Consequently, the plea of payment under protest, by itself, cannot entitle the Applicant to the relief sought.
15. There can be no dispute regarding the proposition that a distribution licensee cannot insist upon payment of pre-CIRP electricity arrears or past liabilities of the Corporate Debtor as a condition for grant or restoration of electricity supply to the Successful Resolution Applicant. Any such insistence would defeat the very object of the "clean slate" principle embodied in the Code. The Hon'ble Supreme Court in **Tata Power Western Odisha Distribution Ltd. (TPWODL) & Anr. v. Jagannath Sponge Pvt. Ltd.**,<sup>6</sup> and the Hon'ble NCLAT in **Punjab State Power Corporation Ltd. v. Akums Lifesciences Ltd.**,<sup>7</sup> have reiterated the said position. However, the aforesaid decisions proceeded on the factual premise that the amounts sought to be recovered represented pre-CIRP electricity arrears or other past liabilities of the Corporate Debtor. The present case stands on an entirely different footing. As already discussed, the Applicant has failed to establish that the amount of Rs.2,25,19,249/-

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<sup>6</sup> Tata Power Western Odisha Distribution Ltd. (TPWODL) & Anr. v. Jagannath Sponge Pvt. Ltd., (2023) ibclaw.in 104 SC

<sup>7</sup> Punjab State Power Corporation Ltd. v. Akums Lifesciences Ltd., (2025) ibclaw.in 150 NCLAT, Para 9.

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demanded by the Respondent represents pre-CIRP dues or forms part of the Respondent's admitted claim in the CIRP. Consequently, the ratio laid down in the aforesaid decisions cannot be mechanically applied in the absence of the foundational fact that the impugned demand relates to liabilities extinguished under the approved Resolution Plan.

16. The jurisdiction of this Adjudicating Authority under Section 60(5) of the Code undoubtedly extends to disputes arising out of or relating to the insolvency resolution process. However, as held by the Hon'ble Supreme Court in **Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta**<sup>8</sup>, such jurisdiction is attracted only where the dispute bears a direct nexus with the insolvency of the Corporate Debtor. In the present case, the material placed before this Adjudicating Authority does not establish that the amount of Rs.2,25,19,249/- represents pre-CIRP dues extinguished under the approved Resolution Plan. The dispute, therefore, essentially concerns the legality or correctness of the charges levied by the Respondent while processing restoration of electricity supply. If the Applicant is aggrieved by such levy or its computation, it is always open to the Applicant to avail remedies before the competent authority or the appropriate appellate forum under the applicable law. In the absence of any material demonstrating that the impugned demand constitutes extinguished pre-CIRP liabilities, no case is made out for interference by this Adjudicating Authority under Section 60(5) of the Code.
17. The Application is accordingly dismissed.

**Sd/-**

**SANJAY PURI  
MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ  
MEMBER (JUDICIAL)**

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<sup>8</sup> Gujarat Urja Vikas Nigam Ltd. v. Mr. Amit Gupta, (2021) ibclaw.in 44 SC, Para 67.