NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1
MUMBAI BENCH

Item No. 23

IA(I.B.C)/1314(MB)2026 IN C.P. (IB)/1371(MB)2017

CORAM:

SH. PRABHAT KUMAR — **HON'BLE MEMBER (TECHNICAL)**

SH. SUSHIL MAHADEORAO KOCHEY — **HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF THE HEARING ON **12.08.2026**

NAME OF THE PARTIES: **STANDARD CHARTERED BANK & DBS BANK LTD V/s RUCHI SOYA INDUSTRIES LIMITED**

Section 7 & 60(5) of the Insolvency and Bankruptcy Code, 2016

ORDER

IA(I.B.C)/1314(MB)2026

1. Adv. Amir Arsiwala a/w Adv. Nisha Kaba, Adv. Sanjay Datta, Adv. Surekh Kant Baxy, Adv. Aarshya Sharda, Adv. Abhishek Chhabra and Adv. Abhijit Singh for the Applicant are present. Adv. V. V. Satish for the APEPDCL is present.

2. This Application has been filed by Patanjali Foods Limited, Applicant 60(5) of the Insolvency and Bankruptcy Code, 2016 seeking the following reliefs :

   a. *Quash and / or set aside the Demand Letter dated 26.02.2026 bearing NoLr.No.SE/O/KKD/SAO/AO(FIN)/AAO(FIN)JAO(REV)/ F.DOC/D.NO. 2862026 issued by the Respondent seeking recovery of alleged Fuel Surcharge Adjustment (FSA) dues from the Applicant;*

b. Restrain the Respondent and / or any other officer / department / authority / person acting through or under them, from taking any coercive steps, including disconnection of electricity supply or initiating recovery measures on the basis of the said Demand Letter dated 26.02.2026;

c. Pending the hearing and final disposal of the present Application, this Hon'ble Tribunal be pleased to stay the effect, operation and implementation of the Demand Letter dated 26.02.2026 bearing No NoLr.No.SE/O/KKD/SAO/AO(FIN)/AAO(FIN)JAO(REV)/ F.DOC/D.NO. 2862026;

d. Pending the hearing and final disposal of the present Application, this Hon'ble Tribunal be pleased to Restrain the Respondent and / or any other officer / authority / person acting through or under them, from taking any coercive steps, including disconnection of electricity supply or initiating recovery measures on the basis of the said Demand Letter dated 26.02.2026.

3. Heard the Counsel for a considerable time.

4. The Applicant has filed the present Interlocutory Application, inter alia, to quash the demand raised by the Respondent vide letter dated 26.02.2026, which pertains to dues for the period prior to the initiation of the Corporate Insolvency Resolution Process of the Corporate Debtor and is therefore contrary to Sections 31 and 32A of the Insolvency and Bankruptcy Code, 2016 and the settled "clean slate" principle, being illegal, void and unenforceable in law.

5. It is submitted that two financial creditors of the Corporate Debtor, namely Standard Chartered Bank and DBS Bank Limited, had filed Company Petition Nos. 1371 and 1372 of 2017 under Section 7 of the Code before

this Tribunal. The said Petitions were admitted by this Tribunal vide order dated 08.12.2017 (delivered on 15.12.2017) thereby initiation the CIRP of the Corporate Debtor. Pursuant to the Public Announcement dated 21.12.2017 inviting claims from all creditors in accordance with the provisions of the IBC, no claim whatsoever was received from the Respondent during the CIRP of the Corporate Debtor.

6. Thereafter, a consortium comprising Patanjali Ayurveda Limited, Patanjali Parivahan Private Limited, Divya Yog Mandir Trust and Patanjali Gramudyog Nyas submitted a Resolution Plan for the revival of the Corporate Debtor, which was approved by the Committee of Creditors on 26.04.2019 and subsequently approved by this NCLT vide orders dated 24.07.2019 and 04.09.2019. Consequently, in terms of Section 31 of the Code the approved Resolution Plan became binding on all stakeholders and all claims pertaining to the period prior to the CIRP which did not form part of the Resolution Plan stood extinguished.

7. The impugned demand, raised by the Respondent, pertains to the Fuel Surcharge Adjustment ("FSA") dues arising pursuant to the proceedings before the Hon'ble High Court of Andhra Pradesh and the Hon'ble Supreme Court, and the Respondent is seeking enforcement of said demand on the basis of an undertaking dated 30.12.2022 executed by the Applicant for transfer of electricity connection in its name pursuant to change in its name after resolution of the Corporate Debtor. It is stated by the Applicant that either the impugned demand represents statutory electricity dues arising from the pre CIRP period or it· constitutes an independent contractual liability: The Respondent cannot be permitted to oscillate between two entirely distinct legal foundations merely to circumvent the statutory consequences flowing from the Code.

8. Per contra the Respondents have relied upon the said undertaking whereby the Applicant had undertaken that "*This undertaking bond is executed by M/s Patanjali Foods Limited represented by its authorised Signatory Mr. Sarvesh Tiwari under taking to abide by the directions / orders of the Court Cases i.e Rs. 21,17,628/- the FSA amount disposed in Hon'ble Supreme Court and appeal be filed for disposal of case on par with Hon'ble Supreme Court dissections in W.P No. 8109/2011 and Rs.7,25,606/- FSA amount pending at Hon'ble High Court vide W.P. No. 35895/12, that would became due and payable or any other charges payable by the transferor company M/s Ruchi Soya Industries Limited company and indemnity the A.P.E.P.D.C.L in the event it succeed in the appeal filed against the order in W.P. No 35895/12 and WP No. 8109/2011 pending adjudication on the file of Hon'ble Supreme Court of India.*"

9. It is not in dispute that the demand in question pertains to the period prior to commencement of CIRP and proceeding in relation thereto for pending before Court. It is trite that all the dues, whether crystylized for a litigation, stand extinguished or settled in terms of the approved Resolution Plan. In the case of **Electrosteel Steel Ltd. v. Ispat Carrier Pvt. Ltd., (2025) ibclaw.in 135 SC**, it is held that "*upon approval of the resolution plan by the NCLT, the claim of the respondent being outside the purview of the resolution plan stood extinguished. Therefore, the award dated 06.07.2018 is incapable of being executed*".

10. As regards execution of undertaking, it is noted that the said undertaking came to be executed on the insistence of the Respondents for transferring the electricity connection in the name of the Applicant.

11. It is relevant to refer decision in the case of **Twentyone Sugars Ltd. v. Maharashtra State Electricity Distribution Co. Ltd., (2024) ibclaw.in**

738 NCLAT, wherein it is held that "***18.*** *Thus, the Respondent cannot be permitted to benefit from its own failure to file the claim and coercing the appellant to pay pre-CIRP dues for restoring the electricity. Even if the payment was not made by the appellant under protest and so was made only because of compulsion due to the coming season then also the Respondent was barred from seeking arrears of the amount that stood extinguished by operation of law as a precondition for restoring the appellants' electricity connection*."

12. Further, in the case of *Harry Dhaul v. Regional Provident Fund Commissioner-II and Anr., (2025) ibclaw.in 764 NCLAT,* it is held that "*20……….. Merely because the SRA had given an affidavit undertaking to pay these claims, this undertaking does not render the claim valid as it violates the law enshrined in Section 14(1) of the IBC. Any undertaking given which is repugnant to statutory provisions are invalid and therefore such undertakings are inherently unenforceable. Mere submission of an affidavit by the SRA was not sufficient to displace the statutory freeze which is placed on the conduct of assessment proceedings during moratorium. Hence the undertaking given in the affidavit being contrary to law and therefore* ab initio *invalid cannot be made enforceable by an order of the Adjudicating Authority*."

13. Accordingly, in the present case also the claim of the Applicant having been extinguished in terms of Section 31 of IBC cannot be resurrected by any act of the Applicant, as the said act corporate to the law therefore *void ab initio* as Section 31(1) of IBC bindings the Central Government, State Government, local authority or any creditor in respect of any dues owed to them. Accordingly, no demand can be enforced against the Applicant in terms of the Demand Letter dated 26.02.2026 bearing NoLr.No.SE/O/KKD/SAO/AO(FIN)/AAO(FIN)JAO(REV)/F.DOC/D.N

O. 2862026 issued by the Respondent seeking recovery of alleged Fuel Surcharge Adjustment (FSA).

14. In terms of above, the IA (I.B.C)/1314(MB)2026 is **allowed and disposed of**.

Sd/-	**Sd/-**
PRABHAT KUMAR	**SUSHIL MAHADEORAO KOCHEY**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

Shubham Bide