IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – I, HYDERABAD

INTERLOCUTORY APPLICATION (IBC) No. 168 of 2022

In

Company Petition (IB) No. 369/10/HDB/2019

(Under Section 42 of Insolvency and Bankruptcy Code, 2016 R/w Rule 11 of National Company Law Tribunal Rules, 2016)

IN THE MATTER OF M/S. PRIYADARSINI LIMITED

(CORPORATE DEBTOR)

BETWEEN:

Southern Power Distribution Company of Telangana Limited (TSSPDCL)

... Applicant Company/Operational Creditor

Verses

Priyadarsini Limited (In Liquidation)

Rep by Liquidator, Mr. Krishna Mohan Gollamudi, IRP

... Respondent/Corporate Debtor

Date of Order: 23.07.2026

CORAM:-

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

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

Counsels:

For the Applicant: Mr. Shaik Ghouse, PCS

For the Respondent: Mr. Shabbeer Ahmed, Advocate for the Liquidator.

Liquidator: Mr.Krishna Mohan Gollamudi.

ORDER

1. This Application is filed by the Applicant under Section 42 of the IBC[1] Read with Rule 11 of NCLT Rules, 2016, praying the Tribunal to set aside the rejection of part claim of the Applicant, i.e., Rs. 28,28,14,013/- and to direct the Respondent to verify and admit the rejected portion of the claim of the Applicant Company amounting to Rs.28,28,14,013/-.

Application:

2. The Corporate Debtor has applied for HT Connectionwhich was sanctioned by the then Central Power Distribution Company of Andhra Pradesh (APCPDCL), for its unit at Sadasivpet, Medak District

3. As per the agreement between the parties vide dated 22.10.1982, and revised HT Agreement dated 09.03.2006 on enhancement of CMD from 1520 KVA to 5500KVA in a phased manner with APCPDCL, the Corporate Debtor had drawn and consumed electricity supplied by APCPDCL under the said agreement vide H.T.S.C.No.MDAK-270[2]. Thus, monthly invoices were raised by the Applicant, and subsequently, the Corporate Debtor cleared the dues.

4. Thereafter, the Corporate Debtor failed to make payments against the invoices for the supply of electricity from July 2016 to September 2016 and bills raised in the months from July 2016 to October 2016[3]. Since the Corporate Debtor failed to clear the dues, the power supply was disconnected on 31.07.2017.

5. It was then the Applicant was constrained to issue notice for termination of the Agreement vide Notice Lr.No.SE/OP/SRD/SAO/HT/D.No.214/2018, dated 27.06.2018[4] by

[1] Insolvency and Bankruptcy Code, 2016
[2] Annexure-A at page 35 of the Application
[3] Annexure-B at page 37 of the Application
[4] Annexure-C at page 41 of the Application

giving 15 days' time for the payment of the debt. Subsequently, the HT Agreement for the supply of electricity was terminated with effect from 30.11.2017. An amount of Rs. 2,29,47,247/- was due towards CC arrears as on the date of termination of the HT Agreement. The amount was arrived at after adjustment of the security deposit of Rs.2,07,19,796/- and Spinning Mills Subsidy of Rs.2,68,60,801/-. Subsequently, surcharge was arrived at Rs.1,42,61,714/- from 30.11.2017 to 26.04.2021 which totals to Rs.3,72,08,961/-

6. Notice of Demand was issued in Form "A", "B" and "C"[5] for the dues to be payable by the Corporate Debtor.

7. Further it is submitted by the Applicant that, the Transmission Corporation of Andhra Pradesh of the Joint State of Andhra Pradesh had filed Aggregate Revenue Requirement for the year 2001-2002, before Andhra Pradesh Electricity Regulatory Commission ("APERC"), set up under the Reforms, Act, 1998. In the month of December, 2020, the then Andhra Pradesh Distribution Companies(DISCOM's) had along with APTRANSCO filed their Joint ARR Applications. Further APTRANSCO in January 2001, filed Tariff proposal for the year 2001-2002 for its transmission and bulk supply business and jointly with each DISCOM proposal for distribution and rental supply business.

8. Tariff proposal also contained a proposal for levying of wheeling charge of Rs.1/- per Kwh for energy it transmittedthrough its network. In the year March 2001, APERC directed the APTRANSCO to file necessary applications with regard to this and subsequently, the APERC vide order dated 24.03.2002[6] held that the wheeling charges would be 50 Paise per Kwh with effect from 01.04.2022 and besides the wheeling charges, 28.4 percent of energy input by the project

[5] Annexure-D,E,F at page 42,43,44 of the Application
[6] Annexure I at page 11 of the Reply

developer into the licensee's grid being the system loss was also to be factored.

9. Applicant submits that the APERC order was challenged before the Hon'ble High Court of Andhra Pradesh and the Hon'ble High Court in W.P.No.4770 of 2002 vide its order dated 18.04.2003 held that under Reform Act, the APERC has no jurisdiction to determine or impose wheeling charges in cash and energy losses.

10. The said orders of the Hon'ble High Court were challenged by the DISCOMs before the Hon'ble Supreme Court. Subsequently, the Hon'ble Supreme Court in Civil Appeal No. 4569 of 2003 vide its order dated 29.11.2019 stated that Wheeling charges as determined by the APERC for the financial years from the FY 2002-2003 onwards till the present financial year holds good. Consequently, the Corporate debtor is liable to pay the difference of wheeling charges as determined by the APERC against the HT SC.No.SGR 270 relating to Corporate debtor as per the Wheeling Agreement/MOU dated 02.03.1996 amounting to Rs.28,28,14,014/-.

11. Applicant submits that when it came to know that the Corporate Debtor is under liquidation vide order dated 26.04.2021and Shri Krishna Mohan Gollamudi was appointed as liquidator, Applicant Company filed Form C[7] with the liquidator.

12. Further, the Applicant submits that the Liquidator, vide email dated 06.07.2021, informed the Applicant that a sum of Rs. 3,72,08,961/- had been admitted towards CC charges. However, the remaining claim was rejected on the ground that no documentary evidence had been furnished to establish the amounts claimed, namely Rs. 2,55,74,798/- towards wheeling charges for power supplied by Rail Calcining and

[7] Annexure L at page 133 of the Application

Rs. 24,72,39,515/- towards wheeling charges for power supplied by third parties.

13. It is submitted by the Applicant that it had provided valid clarifications and explanations to the liquidator. Further submitted that on perusal of Rule 17 of IBBI Regulations, 2016 Rule 17(2)(b)(iii) clearly states that existence of debt due to an operational creditor under this Regulation may be proved on the basis of relevant documents.

14. The Applicant submits that it has informed the liquidator that Corporate Debtor has availed third-party sales from a windmill as a captive usage under a Wheeling Agreement executed with the APSEB. Applicant Company further averred that the invoices raised against the Corporate debtor towards wheeling charges during FY between 2003 and 2007 are appended to the present Application and Open Access Agreement entered into by the Corporate Debtor states that the Corporate Debtor should pay the wheeling charges for availing power from captive and third-party providers.

Reply:

15. The Respondent submits that the judgment of the Hon'ble Supreme Court in Civil Appeal No. 4569 of 2003 demonstrates that the fixation of wheeling charges was originally governed by G.O.Ms. No. 116 dated 05.08.1995 issued by the then Government of Andhra Pradesh, which was subsequently amended by G.O.Ms. No. 152 dated 29.11.1995. Under the amended Government Order, wheeling charges were to be collected from project developers in kind as a percentage of the energy delivered at the interconnection point, and the applicable rates were specifically prescribed therein.

16. The APTRANSCO thereafter filed O.P. No. 510 of 2001 before APERC seeking determination of wheeling charges. By order dated

24.03.2002, APERC fixed wheeling charges at 28.4% in kind together with Rs. 0.54 per kWh on gross generation, effective from 01.04.2002. The Respondent contends that the said order required project developers to enter into agreements with the concerned DISCOM where the wheeled energy was consumed and further stipulated that all Non-Conventional Energy Developers were liable to pay such wheeling charges uniformly.

17. The APERC order dated 24.03.2002 did not contemplate the levy of wheeling charges upon end consumers such as the Corporate Debtor. It is contended that the wheeling charges claimed by the Applicant relate to electricity supplied by Rain Calcining Limited and other third-party generators, and therefore the liability, if any, rests upon such project developers and not upon the Corporate Debtor.

18. Respondent submits that the APERC order dated 24.03.2002 was challenged before the Hon'ble High Court of Andhra Pradesh in W.P. No. 4770 of 2002 and connected matters. By judgment dated 18.04.2003, the Hon’ble High Court set aside the APERC order, holding that the APERC had no jurisdiction to determine Wheeling Charges.

19. It is submittedthat APTRANSCO challenged the aforesaid judgment before the Hon'ble Supreme Court through Civil Appeal No. 4569 of 2003 and connected matters. The Hon'ble Supreme Court, by judgment dated 29.11.2019, restored the APERC order dated 24.03.2002. However, according to the Respondent, the Supreme Court merely upheld APERC's authority to determine wheeling charges and did not hold that such charges were recoverable from end consumers.

20. The Respondent submits that the Applicant's claim is based on the allegation that wheeling charges became payable due to the Corporate

Debtor availing electricity from Rain Calcining Limited and other third-party generators. However, under the APERC order, the obligation to execute wheeling agreements and pay wheeling charges rested upon the generating companies and not upon the Corporate Debtor.

21. The Respondent submits that the Applicant's case that Wheeling charges are owed to it on account of the Corporate Debtor availing electricity from Rain Calcining Limited and other Third Parties. However, as per the APERC order dated 24.03.2002, it was only Rain Calcining Limited and other Third Party generators who were to execute Wheeling Agreements and pay Wheeling charges agreed thereunder.

22. The Wheeling Agreement dated 02.03.1996, relied upon by the Applicant, pertained exclusively to the construction and operation of the Corporate Debtor's own Wind Electric Power Farm, under which the Electricity Board agreed to wheel the generated energy to scheduled consumers. The said agreement did not relate to electricity supplied by Rain Calcining Limited or any third-party generator.Additionally, as on the date of this Agreement, there was no fixation/determination of wheeling charges, which had only taken place in 2002 vide orders of APERC.

23. The Respondent submits that none of the wheeling charge calculation charts produced by the Applicant are directly traceable to the Wheeling Agreement dated 02.03.1996. Accordingly, the reliance placed upon the said agreement is misconceived and unsupported by the record.

24. It is further submitted by the Respondent that the Applicant has alleged that the Corporate Debtor availed third-party power sales from a windmill for captive consumption under a wheeling agreement

executed with the erstwhile APSEB; no such agreement has been produced either before the Liquidator or before this Tribunal.

25. The Applicant has contended that it had purchased power from Rain Calcining Limited. However, the Applicant has not placed on record any Power Wheeling Agreement to demonstrate this. In the face of this, the contention of the Applicant that it has provided supporting documents to the Liquidator to justify its claim is farcical.

26. The Respondent further submits that no demand towards wheeling charges was ever raised in the bills or notices issued by the Applicant over the years. According to the Respondent, such charges were sought to be raised for the first time only through notices issued in the year 2020, without any explanation for the substantial delay. It is also pointed out that even the bills raised subsequent to the APERC order of 2002 did not contain any component towards wheeling charges.

27. Theinterim orders passed by the Hon'ble High Court of Telangana in W.P. No. 12372 of 2020 videorder dated 10.08.2020 and W.P. No. 3726 of 2022 vide order dated 27.01.2022, ordered that the TGSPDCL was restrained from taking coercive steps against end consumers. The petitioners in those proceedings had contended that there was no privity of contract between them and the TGSPDCL in respect of such charges and that no adjudication of liability had taken place.

28. Respondent submits that the Applicant has failed to produce any adjudicatory order establishing the Corporate Debtor's liability for the alleged wheeling charges, as contemplated under Regulation 17(2)(c) of the IBBI (Liquidation Process) Regulations, 2016. The judgment of the Hon'ble Supreme Court dated 29.11.2019 merely concerns the validity of APERC's determination of wheeling charges and does not

adjudicate any specific debt or default attributable to the Corporate Debtor.

Rejoinder:

29. It is submitted by the Applicant that the Respondent never raised his voice nor made any objection against wheeling charges so far against the demand notices.

30. The Applicant submits that the Corporate Debtor had continuously enjoyed the benefits arising from the wheeling arrangements for several years by receiving electricity from third-party generators at rates adjusted in accordance with the wheeling agreements. It is submitted that throughout this period, the Corporate Debtor accepted the billing methodology adopted by the DISCOMs, including the deduction of applicable wheeling losses in kind from the energy supplied, and never challenged such adjustments.

31. Applicant submits that Respondent being the beneficiary of the wheeling agreements, had enjoyed for all these years the benefit arrived out of the adjustment of the energy bills at lower wheeling charges in kind as per the wheeling agreements for the energy received from Third Party Generators. The Respondent had never questioned the procedure of bill adjustment by the DISCOMs deducting the applicable wheeling losses in kind as per the wheeling agreements in the consumer bills.

32. It is further submittedby the Applicant that, as per the power wheeling agreements, the wheeling losses have been imposed only on the consumers by deducting the losses from the energy as allocated by the generator. This clearly indicates that the wheeling charges are to be levied on the scheduled consumers only, and the said procedure is being followed by the DISCOM since the date of the agreement.

33. Applicant submits that wheeling is only a mechanism for transmitting/distributing the power by the Transmission and Distribution Companies (TSSPDCL in the present case) from the interconnection point of the generator to the consumer point of the individual consumers of the TSSPDCL with independent Service Connection Numbers. In the present case the TSSPDCL is therefore entitled to levy the charges for wheeling power through its distribution network on its consumer who avails such wheeling of power and for that matter there is no requirement of a separate agreement.

34. The Applicant submits that a conjoint reading of the definition of the open access user and the clauses relating to open access charges under APERC Regulation 2 of 2005 makes it clear that the person receivingthe power from the source other than the distribution licensee of the area should pay the relevant transmission charges, wheeling charges and losses as per Tariff orders issued by the APERC.

Findings:

35. We have gone through the entire record and have heard the learned Counsel appearing on behalf of the Applicant as well as the Respondents at length.

36. It is an admitted position that the Corporate Debtor was admitted into CIRP on 03.09.2019, and pursuant to the order of CIRP, the IRP has issued a public announcement on 07.09.2019 inviting claims from stakeholders till 20.09.2019.

37. Upon unsuccessful resolution of the Corporate Debtor, it was admitted into liquidation by this Adjudicating Authority vide order dated 26.04.2021, pursuant to which the Liquidator issued a public announcement on 30.04.2021 inviting submission of claims from all stakeholders, and the last date prescribed for filing/updating claims was 25.05.2021.

38. The record reveals that the Applicant submitted its claim in Form-C dated 24.05.2021 for an aggregate amount of Rs. 32,00,22,974/-. Upon verification of the claim, the Liquidator vide email dated 01.07.2021 admitted a sum of Rs. 3,72,08,961/- towards Current Consumption ("CC") charges based on the demand notice dated 31.07.2019. However, the balance amount of Rs. 28,28,14,013/- claimed towards alleged differential wheeling charges was rejected on the ground that the Applicant had failed to furnish sufficient material establishing the existence of a debt payable by the Corporate Debtor as on the liquidation commencement date.

39. Aggrieved by the said decision, the Applicant preferred the present application under Section 42 of the IBC.

40. The present application was initially dismissed on the ground that the appeal had not been filed within the statutory period of fourteen days prescribed under Section 42 of IBC. However, the Hon'ble NCLAT, in Company Appeal (AT) (CH) (Ins.) No. 170 of 2024, vide judgment dated 31.10.2025, set aside the said order and remanded the matter to this Adjudicating Authority for adjudication on merits. The same is reproduced below:

> *13) In that eventuality, while condoning the delay, that has chanced in preferring the Appeal under Section 42 of I&B Code, the matter is remitted back to the Learned Adjudicating Authority to decide the Appeal under Section 42 of I&B Code, itself on its own merits. All contentions to be raised by the respective parties would be left open to be agitated before the Adjudicating Authority, without any finding recorded by us to be having any bearing on the proceedings to be decided on merits.*

41. The Applicant's claimof Rs. 28,28,14,013/-towards wheeling charges is based upon the APERC order.As per APERC order, wheeling can be read as use of “Transmission & Distribution system for conveyance of

energy from the place of generation to the place of consumption, which act in the electricity parlance is popularly known as Wheeling."

42. The record further reveals that the APERC, vide order dated 24.03.2002, determined the wheeling charges for the financial year 2002-03 with effect from 01.04.2002 at 50 paise per kwh together with 28.4% of the energy input by the project developer into the licensee's grid towards system losses.

43. The aforesaid APERC order dated 24.03.2002 was challenged before the Hon'ble High Court of Andhra Pradesh in W.P. No. 4770 of 2002 and connected matters. The Hon'ble High Courtof Andhra Pradesh vide judgment dated 18.04.2003, allowed the writ petitions and set aside the APERC order, holding that APERC lacked jurisdiction to determine wheeling charges.

44. Aggrieved thereby, APTRANSCO preferred appeals before the Hon'ble Supreme Court. The Hon'ble Supreme Court, by judgment dated 29.11.2019 in Civil Appeal No. 4569 of 2003 and connected matters, allowed the appeals and restored the order of APERC dated 24.03.2002.The relevant paras of the judgement is extracted hereunder:

38. As to the question of fixing of wheeling charges, the High Court has erred in holding that the Commission has no power to fix the wheeling charges. It is the regulator for transmission, and considering the various provisions mentioned above, it is apparent that the Commission had the power to fix the wheeling charges.

72. Thus, we find that the order of APTEL based on the Doctrine of Promissory Estoppel for continuing the benefit of Government Orders dated 18.11.1997 and 22.12.1998, cannot be said to be in accordance with the law. The order of APTEL is liable to be set-aside, and that passed by the APERC has to be restored.

45. It is observed that the judgment of the Hon'ble Supreme Court is not a determination of rights inter se the Corporate Debtor and the Applicant. The said judgment is of general applicability, wherein the Hon'ble Supreme Court upheld APERC to determine wheeling charges and restored the order passed by APERC. Therefore, the said judgment cannot, by itself, be construed as creating any independent liability against the Corporate Debtor

46. Pursuant to the judgment of the Hon'ble Supreme Court, the Applicant issued demand notices dated 16.07.2020 and 21.07.2020 claiming an aggregate sum of Rs. 28,28,14,014/- towards differential wheeling charges allegedly payable for the period from April 2003 to June 2014.

47. The principal issue that falls for consideration is whether the Corporate Debtor (end user) is liable to pay the differential wheeling charges claimed by the Applicant in respect of electricity allegedly received from M/s. Rain Calcining Limited and other third-party generators.

48. At the outset, it is necessary to examine the nature of liability contemplated under the APERC order dated 24.03.2002. Paragraphs 8.14 and 8.15 of the said order are of particular significance. The APERC observed that transmission and distribution of electricity constitute an integrated activity and that wheeling should be treated as a single indivisible activity. The APERC further held that multiple contracts or multi-party arrangements ought to be avoided and specifically directed that the wheeling agreement should necessarily be between the project developer and one identified licensee in the system.The relevant observations of APERC read as follows:

8.14 The transmission & distribution of electricity is technically an integrated activity as far as the end user is concerned. The Wheeling of electricity from the place

where it is injected into the system to the place where it is consumed is to be considered as one indivisible activity. This cannot be divided and looked as if an identifiable part of the activity is carried by one licencee and the remaining identifiable part is carried by another licencee. This is so as energy is supplied on displacement basis and it cannot be said that the very energy pumped into the system at one place is delivered at another place. The energy from the generating units, whether it is for sale and supply to APTRANSCO and then to Distribution Licencees and then to the Consumers of the Distribution Licencees or directly sold to the consumers wheeled through Transmission and/or the Distribution System, gets mixed in the system and loses the relationship to the source. The energy eventually supplied to the customer cannot be identified as having passed through only an identified part of the transmission and/or distribution system or at an identified voltage level. In Wheeling, what really happens is that the licencee supplies the wheeled consumer, energy in compensation for the energy received into the system from the generator availing the wheeling service.

8.15 In view of the above it is not proper to provide for multiple contracts or multi-party agreements in regard to the wheeling of energy. ***The wheeling agreement should necessarily be between the project developer and one identified licencee in the system.***

49. A plain reading of the aforesaid observations indicates that the APERC envisaged the execution of wheeling agreements between project developers and the concerned licensee. Significantly, neither paragraph 8.14 nor paragraph 8.15 contemplates execution of such agreements by end consumers or scheduled consumers.

50. The Applicant has sought to justify the claim by relying upon the definitions of open access and wheeling under the Electricity Act, 2003, and Open Access User as defined in clause 2(i)(j) of the APERC Regulations[8]. The same is reproduced below:

[8] APERC (Terms and Conditions of Open Access to Intra State Transmission and Distribution Networks), Regulation, 2005

Section 2. (Definitions): --- In this Act, unless the context otherwise requires,--

(47) "open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission;

(76) "wheeling" means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62;

2 Definitions

(i) In this Regulation, unless the context otherwise requires:-

(j) "user" or " open access user" means a person using or intending to use the transmission system and / or the distribution system of the licensees in the state for receiving supply of electricity from· a person other than the distribution licensee of his area of supply, and the expression includes a generating company and licensee.

51. Relying upon the above definitions the Applicant contends that open access user can be generating company, a licencee or a customer who would use the transmission system and such a open access user is obligated to pay the transmission charges, wheeling charges and losses determined by the state commission as per the APERC order.

52. Additionally, the Applicant contends that the Corporate Debtor was the beneficiary of power wheeled from Rain Calcining Limited and other third-party generators and therefore became liable for payment of wheeling charges. However, the burden of proving the existence of a debt squarely rests upon the Applicant.

53. In terms of Regulation 17(2) of the IBBI (Liquidation Process) Regulations, 2016, an operational creditor is required to substantiate its claim by producing relevant records, contracts, invoices,

adjudicatory orders or other documentary evidence demonstrating the existence and enforceability of the debt.

54. The material on record reveals that despite repeated opportunities and specific requisitions made by the Liquidator, the Applicant failed to furnish the underlying wheeling agreements executed between Rain Calcining Limited and the concerned licensee or between the other third-party generators and the concerned licensee. In the absence of such agreements, the contractual basis for fastening liability upon the Corporate Debtor remains unsubstantiated.

55. We further note that the Applicant furnished a Wheeling Agreement dated 02.03.1996 to the Liquidator through email dated 07.07.2021. However, a perusal of the said agreement reveals that it does not pertain to Rain Calcining Limited or any of the other third-party generators in respect of whom the impugned wheeling charges have been claimed. Rather, the said agreement was executed in relation to the Corporate Debtor itself acting as a Project Developer for a Wind Electric Power Farm. The Corporate Debtor was also a Scheduled Customer under the said arrangement till 30.12.2015.

56. Further, the schedule of wheeling charges relied upon by the Applicant itself discloses that the claim pertains to multiple project developers, including Rain Calcining Limited,RPP Ltd., Priyadarshini Spinning Mills (Gas), and PSM Ltd. (Wind), However, the Applicant has produced only one Wheeling Agreement pertaining to PSM Ltd. (Wind). No agreements whatsoever have been produced in relation to RPP Ltd., Priyadarshini Spinning Mills (Gas), Rain Calcining Limited, from whom electricity is alleged to have been supplied to the Corporate Debtor.

57. Therefore, the Wheeling Agreement dated 02.03.1996 cannot be treated as evidence establishing liability in respect of electricity

allegedly supplied by Rain Calcining Limited or all third-party generators.

58. In the absence of the foundational contractual documents governing the alleged wheeling transactions, it is impossible to ascertain the identity of the parties liable to pay wheeling charges, the contractual allocation of liability, the applicable tariff structure, or the methodology adopted for the computation of the claimed amounts.

59. We also find merit in the contention of the Respondent that neither the Wheeling Agreement dated 02.03.1996 nor the APERC order dated 24.03.2002 contains any express stipulation requiring the end user or scheduled consumer to pay wheeling charges.On the contrary, the APERC order specifically records that:"Wheeling charges are applicable uniformly to all the project developers. The network and balancing and ancillary charges will be recovered in cash and the losses in kind."

60. The above observation clearly indicates that the APERC treated project developers as the entities upon whom wheeling charges were to be levied. No material has been placed before us to demonstrate that the liability was subsequently transferred to or imposed upon scheduled consumers such as the Corporate Debtor.

61. Equally significant is the fact that the Applicant has not produced any adjudicatory order determining the liability of the Corporate Debtor towards the impugned wheeling charges. The judgment of the Hon'ble Supreme Court dated 29.11.2019 merely restored the APERC order and upheld APERC's authority to determine wheeling charges. The said judgment does not adjudicate any specific liability of the Corporate Debtor nor does it determine that wheeling charges are recoverable from end consumers.

62. Thus, despite being called upon by the Liquidator to substantiate its claim, the Applicant has failed to produce the primary contractual documents, adjudicatory orders, invoices, or any other cogent evidence demonstrating that the Corporate Debtor was legally liable to pay the differential wheeling charges claimed by it.

63. We further note that once a Corporate Debtor enters CIRP and subsequently liquidation, the determination, verification, admission and treatment of claims against the Corporate Debtor are governed by the provisions of the IBC. By virtue of Section 238 of IBC, the provisions of the IBC shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force. Therefore, while the Applicant may trace the origin of its claim to the regulatory framework governing electricity distribution and the orders passed by APERC, the admissibility of such a claim against a Corporate Debtor in liquidation must necessarily be examined in accordance with the provisions of the IBC and the IBBI (Liquidation Process) Regulations, 2016. The Code thus constitutes the governing framework for the determination of claims against a Corporate Debtor undergoing liquidation.

64. Under the statutory scheme of the IBC, the Liquidator is the authority entrusted with the duty of receiving, verifying, admitting, or rejecting claims submitted by stakeholders. In discharge of such statutory function, the Liquidator examined the Applicant's claim and, upon verification of the material placed on record, admitted a sum of Rs. 3,72,08,961/- while rejecting the balance claim of Rs. 28,28,14,013/- for want of supporting evidence establishing the liability of the Corporate Debtor. The Applicant has failed to demonstrate that the said determination suffers from any illegality, perversity, or material irregularity warranting interference by this Adjudicating Authority.

65. Further, the dues now sought to be recovered by the Applicant pertain to alleged wheeling charges for the period from April 2003 to June 2014. In such circumstances, the claim cannot be regarded as a crystallized liability existing prior to the Insolvency Commencement Date, since the very basis for the present claim (based upon the order dated: 29.11.2019 of the Hon'ble Supreme Court) emerged only after the commencement of the CIRP and was not asserted or determined prior thereto. The Applicant is seeking to enforce a claim in respect of pre-CIRP dues which arose after the initiation of CIRP, which is impermissible under the scheme of the IBC. Applying the settled "clean slate" principle, all claims pertaining to the period prior to the commencement of CIRP ought to have been submitted and dealt with within the insolvency process itself. Having failed to do so during the CIRP, the Applicant cannot, at this belated stage, seek to recover alleged pre-CIRP dues from the Corporate Debtor which were non-existent on the date of commencement of CIRP.

66. It is also pertinent to note that, from the records available in IA No.1804/ 2025 in CP (IB) No 369/2019, we observe that the liquidation process has proceeded on the basis of claims verified and admitted by the Liquidator and the assets of the Corporate Debtor, including its unit situated at Sadasivpet, Medak District, Telangana, in respect of which the Applicant seeks to recover the alleged wheeling charges, have already been realised and sold vide sale certificate dated 25.10.2021. Permitting a claim which has not been substantiated in accordance with the requirements of the IBC merely on the basis of rights allegedly arising under another statutory regime would undermine the finality, certainty and orderly administration contemplated under the IBC. Such an approach would be contrary to the very objective of the IBC, which seeks to ensure a conclusive determination of liabilities through the insolvency process.

67. In view of the foregoing discussion, we are of the considered opinion that the Applicant has failed to establish the existence of an operational debt to the extent of Rs. 28,28,14,013/- claimed towards differential wheeling charges. The decision of the Liquidator rejecting the said claim cannot be said to be arbitrary, illegal, or contrary to the provisions of IBC or the IBBI (Liquidation Process) Regulations, 2016.

68. Therefore, the rejection of the claim of Rs. 28,28,14,013/- by the Liquidator is upheld. The present Applicationis devoid of merit and is liable to be dismissed.

Accordingly, the present application is dismissed and disposed of.

Sd/-

SANJAY PURI

MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ

MEMBER (JUDICIAL)