



In the matter of:

Complaint No. 44/2025

**M/s Orissa Metaliks Pvt. Ltd. Village and P.O (Damtal) Tehsil Indora Kangra
 Distt. Kangra. Pin-176403**

– Complainant

Vs

- 1. The Sr. Executive Engineer, Electrical Division, HPSEBL, Indora, District Kangra (HP)-176401.**
- 2. The Assistant Engineer, Electrical Sub-Division, HPSEBL, Damtal, District Kangra (HP)-176403.**

-Respondents

Complaint No.44/2025 (Registered on 01/12/2025)

(Orders reserved on 08/05/2026, Issued on 27/05/2026)

The Complainant:

- Sh. Aman Sood, Advocate
- Miss Aarju, Advocate
- Smt. Shailra Sood, Advocate
- Sh. Amarnath Chaudhary, Advocate
- Sh. Sreevatsh Sekhsaria, Advocate
- Sh. Viplav Sharmam, Sr. Advocate
- Sh. Dalip Kumar, Authorized Representative
- Sh. Vikas Chandar, Sr. Managar

The Respondents:

- Sh. Kamlesh Saklani, Under Secy. Law
- Sh. Rajesh Kashyap, Advocate
- Er. Sandip Sanyal, Sr. EE, Elect.Divn, Indora.
- Er. Virender Dadhwal, AE, ESD, Damtal.
- Sh. Pankaj Pathania, JOA (IT), ESD, Damtal.

QUORUM

Er. Deepak Uppal

HP Electricity Ombudsman

1. Brief Facts of the Case:

- a. M/s Orissa Metaliks Pvt. Ltd. R/o at 1, Garstin Place, Orbit House, 3rd Floor Kolkata, West Bengal - 700001 have filed the said Complaint against the final order dated 19/11/2025 passed by the Consumer Grievances Redressal Forum (CGRF),**



Deepak Uppal



Kasumpti in Complaint No.3234/202508/25 which was received and registered on 01/12/2025.

- b. As per the Complainant, pursuant to proceedings and Order passed by Id. National Company Law Tribunal (NCLT) on 04.10.2024, it has in the month of November 2024 taken over the plant of Corporate Debtor namely M/s Metenere Ltd at Damtal (Himachal Pradesh) after the Resolution plan was approved by the Id. NCLT with merger of Corporator Debtor into the petitioner and started running it thereafter.
 - c. The electricity connection against the said plant in Damtal which has been taken over by the Complainant bears consumer ID No 100012000178 in the name of M/s Metenere Ltd. and the Respondents are distribution licensee under Section 2 sub-section 17 of the Electricity Act, 2003.
 - d. The Complainant is aggrieved by the demand raised by the Respondent towards '**Security Deposit**' vide Notice dated 30.06.2025 and further letter dated 08.07.2025 written by the Respondent, as required under the Electricity Act, 2003 and the relevant HPERC Regulations.
2. The case was listed for admission hearing on 22/12/2025 subject to confirmation of all prerequisites i.e. proof of deposit of 50% of the disputed amount etc.
 3. The complainant had also filed an Application under Regulation 36(1) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 and



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prayed for ad-interim ex-parte stay for restraining the Respondent Board from disconnecting the electricity supply to the premises of the Complainant. In the public interest, however allowed till admissions.

4. In order to facilitate further pleadings in a comfortable domain, the specific contentions of the complainant are first restated as under.

The Complainant Contends:

DETAILS OF FACTS AND GROUNDS GIVING RISE TO THE REPRESENTATION

1. The National Company Law Tribunal, New Delhi, Principal Bench ("NCLT" or "**Hon'ble NCLT**" or "**Adjudicating Authority**"), through its order dated 25.09.2020 admitted the application for initiation of Corporate Insolvency Resolution Process ("**CIRP**") of M/s Metenere Ltd (hereinafter referred as "**Corporate Debtor**") filed by State Bank of India under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**the IBC**").
2. Corporate Debtor is a public company engaged in manufacturing of non-ferrous products viz. Aluminium Flat Rolled Products (FRP) through recycling route. The CD has six manufacturing facilities at different locations. Majority of fixed assets of CD are located at:
 - a. Damtal (Himachal Pradesh) (Currently Operational)
 - b. Gandhidham (Gujarat) (Partly Operational)
 - c. Dadri (Noida UP) (Non-Operational)
3. The Resolution Professional thereafter, invited claims from the respective creditors of the Corporate Debtor. Pursuant to which the Respondent submitted its claims to the Resolution Professional. The Resolution Professional after due verification, prepared a list of admitted claims. True copy of the list of creditors as on 01.07.2024 is annexed herewith and marked as **Annexure Cl**.
4. Pursuant to submission of resolution plans to the initial Expression of Interest dated 5 February 2021, one Jubilee Metals Private Limited (CIN: U51909DL2020PTC37027 I) submitted its resolution plan and emerged as the "Resolution Applicant" who failed to fulfill the critical conditions outlined in both the Resolution Plan and the Letter of Intent issued by the Resolution Professional. The failure to adhere to these terms prompted the Resolution Professional to submit a request to the Hon'ble NCLT for permission to withdraw the proposed Resolution Plan.
5. The Hon'ble NCLT vide order dated 21.11.2023 allowed the Resolution Professional to float revised Form G seeking fresh Expression(s) of Interest (EOI) from interested and eligible prospective resolution applicants. Pursuant to the Invitation seeking Expression of Interest dated 02.12.2023 (the "**EOI Invitation**"), the Petitioner had submitted an expression of interest for submission of a Resolution Plan for the Corporate Debtor under the provisions of the IBC, which was accepted by the Resolution Professional and the Petitioner was duly included in the list of final prospective resolution applicants published by the Resolution Professional.
6. Thereafter, on 18.01.2024, the request for resolution plan ("**the RFRP**") was issued to the final list of PRAs, as per which, the last date for submission of resolution plans was 17.02.2024. On 18.01.2024 the evaluation matrix and information memorandum was issued to the final PRAs who had submitted the signed Non-Disclosure Agreement.
7. As on 09.03.2024, two resolution plans were received by the Resolution Professional, one being from the Consumer/Complainant and another being an unsolicited resolution plan from Findoc.
8. The resolution plan of Findoc and Consumer/Complainant were put to vote in the 35th CoC meeting dated 11.07.2024. The voting line for the approval of the resolution plans of Findoc and Orissa Metaliks was open from 16.07.2024 and was open till 23.07.2024 and was thereafter extended till 24.07.2024. Thereafter, the CoC approved Resolution Plan of the

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Consumer/Complainant by a majority of 98.94% of the CoC. The Resolution plan size is Rs 295,14,95,611/- (Rupees Two Hundred Ninety-Five Crores Fourteen Lakhs Ninety-Five Thousand Six Hundred and Eleven).

9. Further, in the Resolution Plan, the Consumer/Complainant also proposed to infuse a sum of INR 300,00,00,000 (Rupees Three Hundred Crores) as Additional Infusion towards operational requirements, working capital requirements and/or capital expenditure requirements of the CD within 6 months of Payment Date. Therefore, the value of the Plan would be around 595,14,95,611/- (Rupees Five Hundred Ninety-Five Crores Fourteen Lakhs Ninety-Five Thousand Six Hundred and Eleven).
10. The Resolution Plan amongst other steps also provided merger of the Corporate Debtor into the Consumer/Complainant.
11. Pursuant to the approval, the Resolution Professional filed an Interlocutory Application before the Hon'ble NCLT, New Delhi for approval of the Resolution Plan. The Hon'ble NCLT, New Delhi vide its order dated 04.10.2024 approved the Plan of the Consumer/Complainant. True copy of the order dated 04.10.2024 is annexed herewith and marked as **ANNEXURE- C2** and true copy of the relevant extract of the Resolution Plan is annexed herewith and marked as **ANNEXURE- C3**.
12. Thereafter, the Consumer/Complainant took over the plant of Corporate Debtor at Damtal, Himachal Pradesh in November 2024 and started running its business.
13. The Consumer/Complainant, in compliance with the provisions of the Electricity Act, 2003 and other applicable regulations, has been regularly paying the electricity bills raised by the Respondent No. 1 Board since November 2024 without any default, delay, protest, or demur. True copies of the Electricity Bills and its payment are annexed herewith and marked as **ANNEXURE-C4 (Colly)**.
14. On 13.06.2025, the Consumer/Complainant wrote to Respondent No. 1 requesting a formal change of name in the electricity records from *Mis Metenere Ltd.* to *Orissa Metaliks Private Limited*, in line with the merger sanctioned by the Hon'ble NCLT. True copy of the letter dated 13.06.2025 is annexed herewith and marked as **ANNEXURE- CS**.
15. Respondent No. 1 replied on the same day requesting certain documents. The Consumer/Complainant responded on 20.06.2025 stating that the name change was under process with the Registrar of Companies and would be completed shortly, following which the required formalities including submission of a fresh security deposit (BG) would be complied with. True copies of the letter dated 13.06.2025 and 20.06.2025 and application pending before ROC are annexed herewith and marked as **ANNEXURE-C6 (Colly)**.
16. On 24.06.2025, Respondent No. 1 reiterated its earlier communication asking the Consumer/Complainant to submit the change of name file online, and to follow Sales Manual Instructions. True copy of the letter dated 24.06.2025 is annexed herewith and marked as **ANNEXURE- C7**.
17. Shockingly, without waiting for the completion of ROC formalities and without complying with any mandatory legal procedure, the Respondent No. 1 issued an arbitrary demand notice dated 30.06.2025 demanding Rs.1,56,85,212/- towards "new ACD" (Additional Consumption Deposit) citing vague references to the 3rd and 4th Amendments of the HPERC (Security Deposit) Regulations, 2005 ("**the HPERC Regulations**"). The notice contained no supporting calculations, no adjustment of the existing deposit of ₹99,46,600/-, and no mention of the installment facility prescribed under law. True copy of the demand notice dated 30.06.2025 is annexed herewith and marked as **ANNEXURE- CS**.
18. This was followed by a coercive threat letter dated 08.07.2025, warning of disconnection of electricity supply unless the full security deposit was paid, again without following due process or providing any calculation or justification. True copy of the letter dated 08.07.2025 is annexed herewith and marked as **ANNEXURE- C9**.
19. The Consumer/Complainant submitted a detailed response on 11.07.2025 objecting to the demand raised by the Respondent No. 1. True copy of the letter dated 11.07.2025 is annexed herewith and marked as **ANNEXURE- C10**.
20. The Consumer/Complainant being aggrieved by the action of the Respondents, preferred a



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civil writ petition No. 11306 of 2025 before the Hon'ble High Court of Himachal Pradesh at Shimla challenging the Demand Notice dated 30.06.2025 and subsequent coercive letter dated 08.07.2025 issued by the Respondent No. 1. The said Writ petition was disposed of vide order dated 25.07.2025 whereby the Consumer/Complainant was granted liberty to approach the Dispute Redressal Forum under the Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013. True copy of the order dated 15.07.2025 is annexed herewith and marked as **ANNEXURE-C11**.

21. The Consumer/Complainant thereafter, filed the Complaint No. 3234/202508/25 before the Consumer Grievances Redressal Forum, Shimla challenging the legality of the demand notice. True copy of the complaint is annexed herewith and marked as **ANNEXURE- C12**.
22. The Respondents filed their reply to the said complaint. A copy of the reply is annexed herewith and marked as **ANNEXURE- C13**.
23. The Forum en-ed in summarily dismissing the complaint, vide order dated 19.11.2025 ("the **Impugned Order**"), without adjudicating upon the core issues namely, the legality, validity, and con-ectness of the impugned demand notice dated 30.06.2025. The Consumer/Complainant had specifically challenged the demand as being contrary to the HPERC Regulations. However, the Forum failed to examine (i) whether the demand complied with Regulation 4(3), (ii) whether mandatory notice and calculations under Regulation 6(2)(b) were issued, and (iii) whether the installment facility under the proviso to Regulation 6 was illegally denied. The complete non-consideration of these jurisdictional and statutory issues renders the Impugned Order perverse and unsustainable. True copy of the Impugned Order dated 19.11.2025 is annexed herewith and marked as **ANNEXURE- C14**.
24. Immediately after passing of the impugned order, the Respondent raised a Demand letter on 25.11.2025. A copy of the Demand Letter dated 25.11.2025 is annexed herewith and marked as **Annexure- C14**.
25. The Consumer/Complainant is challenging the Impugned Order on following grounds:

GROUND:

A. Ground Against Para 40: Misapplication of Electricity Law and Ignoring the Binding IBC Framework

- i) Because the Forum, in Para 40, erred in holding that the Consumer/Complainant was mandatorily required to apply afresh for change of name, execute a new agreement, and comply with all "codal formalities", merely because it stepped into the shoes of the Corporate Debtor. The finding ignores that the Consumer/Complainant took over the unit strictly under an approved Resolution Plan under the IBC, which provides for continuity of essential services without imposition of fresh liabilities contrary to the Plan.
- ii) Because the Forum incorrectly presumed that the existing electricity agreement did not continue upon transfer of the business as a going concern, whereas under settled law all statutory authorities are bound by the commercial terms approved by the Hon'ble NCLT, and cannot insist on fresh contractual burdens unless expressly provided.
- iii) Because the Forum's assumption that non-execution of a fresh agreement would permit the Consumer/Complainant to "enjoy electricity indefinitely without responsibility" is speculative, perverse, and unsupported by any factual finding. The Consumer/Complainant has never disputed compliance with prospective obligations; it only disputed attempts to foist pre-CIRP dues or obligations extinguished under the Resolution Plan. In fact, post taking over of the concerned unit, the Consumer/Complainant has been regularly paying all electricity bills raised by the Respondents in a timely manner without any default.
- iv) Because the direction that the Consumer/Complainant is "not exempt from electricity laws" is a strawman, the Consumer/Complainant never claimed such **e x e m p t i o n**. The only contention was that pre-CIRP liabilities and security deposit of the Corporate Debtor cannot be re- opened or re-levied contrary to statutory provisions, settled position of law and the Resolution Plan.

B. Grounds Against Para 48 -Forum Rewrites the Commercial Outcome of the



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Resolution Plan

- v) Because in Para 48, the Forum held that non-receipt of full dues from the Corporate Debtor under the Resolution Plan would cause "permanent loss" to the Respondent-Licensee, and on that basis justified imposition of amounts on the Consumer/Complainant. This finding directly contradicts the mandate of the IBC, under which all stakeholders including operational creditors such as HPSEBL are bound by the quantum admitted by the Resolution Professional and the amount approved in the Resolution Plan.
- vi) Because the Forum substituted its own commercial wisdom for that of the Committee of Creditors and the Hon'ble NCLT, contrary to the settled principle of law that the distribution of dues under a resolution plan is non-justiciable and cannot be reopened by any authority.
- vii) Because the Forum wrongly proceeded on an assumption that unless the Consumer/Complainant paid pre-CIRP dues or fresh security deposit, other consumers would be burdened. This is wholly irrelevant to the legality of the demand notice and amounts to rewriting the statutory and regulatory framework on equitable grounds rather than legal grounds which are extraneous to the issue which the Forum was mandated to decide,
- viii) Because the Forum failed to appreciate that HPSEBL had voluntarily participated in CIRP, filed its claim, and accepted the IBC regime, and therefore cannot now seek to recover the differential amount from the Consumer/Complainant in an indirect manner contrary to settled position of law. In fact, the same would amount to unjust enrichment of the Respondents.
- ix) Because the Forum ought to have considered that there is a waterfall mechanism under Section 53 of the IBC Code under which as per the priority the creditors shall be paid. The priority of claims, indicated in the hierarchy of preferences, under the waterfall mechanism is therefore: firstly, insolvency resolution process costs and the liquidation costs; secondly, workmen's dues for the period of 24 months preceding the liquidation commencement date and debts owed to a secured creditor in the event such secured creditor has relinquished security; thirdly, wages and any unpaid dues owed to employees other than workmen for the period of 12 months preceding the liquidation commencement date; fourthly, financial debts owed to unsecured creditors; fifthly, any amount due to the central government and the state government and debts owed to a secured creditor for any amount unpaid following the enforcement of security interest; sixthly, any remaining debts and dues; seventhly, preference shareholders; and eighthly equity shareholders or partners. This hierarchy or order of priority thus accords government debts [clause (e)] and operational debts [clause (t)] lower priority than dues owed to unsecured financial creditors.

C. Grounds Against Para 55 - Wrong and Perverse Finding that Pre- CIRP Security Deposit "Extinguishes" Against Old Dues

- x) Because in Para 55, the Forum, in the absence of any enabling legal or regulatory provision, erred in holding that the Corporate Debtor's security deposit stood "extinguished/offset" against pre-CIRP unpaid electricity dues. No evidence, audit statement, or accounting trail was produced showing such extinguishment. A mere assertion by HPSEBL cannot be treated as a legal extinguishment of a statutory deposit. Moreover, the HPSEBL has been continuously showing the security deposit of Rs 99,46,600 in its electricity bills. The said finding is without any legal basis.
- xi) Because the Forum ignored that a security deposit under HPERC Regulations is not an adjustable receivable but a continuing security, refundable unless lawfully appropriated after due process. The Forum failed to identify any order, ledger entry, or intimation showing lawful adjustment of the Corporate Debtor's security deposit.
- xii) Because the finding that transferring the security deposit would "enrich" the Consumer/Complainant is misconceived, as the Consumer/Complainant is merely seeking adjustment in accordance with Regulation 4 of the HPERC Regulations, which requires computation based on average consumption.



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- xiii) Because the Forum failed to appreciate that the security deposit was never treated as receivables in CIRP and HPSEBL never claimed adjustment of the same before the Resolution Professional, clearly showing that the theory of extinguishment is an afterthought.
- xiv) Because the Forum's conclusion that liabilities of the Corporate Debtor automatically transfer to the Consumer/Complainant contradicts Section 31 of the IBC, which provides that all pre-CIRP liabilities stand extinguished once the plan is approved. This applies with even more force in the present case in view of the fact that the Respondents have themselves accepted the IBC regime and voluntarily participated in the insolvency process in the present case.

D. Grounds Against Para 56- Improper Reliance on HPSEBL'S Apprehension

- xv) Because Para 56 shows that the Forum accepted as gospel truth the self-serving apprehension of HPSEBL that its claim "may be reduced" under the Resolution Plan, and on that basis justified imposing fresh security deposit demands. Such apprehensions cannot override binding statutory provisions and outcomes of a resolution plan.
- xvi) Because the Forum erroneously equated the role of HPSEBL as an operational creditor with an entitlement to full recovery, contrary to the IBC scheme where operational creditors accept haircuts as determined by the CoC.
- xvii) Because the Forum failed to recognize that the supply of electricity during CIRP is governed by Section 14(2) and 30(2) of the IBC, and HPSEBL's decision to continue supply cannot be used later to demand pre-CIRP recoveries or new deposits not permitted under Regulation 4 of the HPERC Regulations *de hors* the statutory provisions and contrary to settled position of law.
- xviii) Because the Forum's reasoning effectively punishes the Consumer/Complainant for the statutory haircuts imposed under the IBC, which is impermissible.

E. Grounds Against Para 61- Incorrect Interpretation of Regulation 4(Security Deposit)

- xix) Because in Para 61, the Forum wrongly held that the Consumer/Complainant is seeking adjustment of the Corporate Debtor's security deposit "against the security to be deposited" by the Consumer/Complainant, ignoring that Regulation 4 of the HPERC Regulations expressly requires only one computation based on average consumption and not two parallel deposits.
- xx) Because the Forum misapplied the law in holding that the Corporate Debtor's security deposit "stood extinguished automatically". Security deposit cannot be deemed extinguished without lawful appropriation, and the Forum has cited no statutory authority permitting such deeming fiction. In fact, the operation of the Impugned Order would have the effect of unjustly enriching the Respondents.
- xxi) Because the Forum ignored the Consumer/Complainant's specific case that the HPERC Regulations do not authorise retaining old deposits while simultaneously raising fresh deposits, especially where consumption pattern has not changed drastically.
- xxii) Because the Forum's conclusion that the Consumer/Complainant seeks to be "enriched" is unfounded, as the Consumer/Complainant merely seeks correct computation of security as per Regulation 4, which does not permit double-security for the same connection.

F. Grounds Against para 62- Erroneous Deeming of "Immediate Extinguishment"

- xxiii) Because Para 62 again incorrectly accepts HPSEBL's claim that the Corporate Debtor's deposit "immediately stands extinguished". No such doctrine exists under the Electricity Act, the HPERC Regulations and/or any other applicable laws and regulations.
- xxiv) Because the Forum failed to appreciate that extinguishment of deposit requires: (a) notice of adjustment, (b) quantification of dues, (c) statutory backing, none of which were shown by the HPSEBL.
- xxv) Because the Forum incorrectly applied the fiction of extinguishment to deny the Consumer/Complainant the benefit of Regulation 4 of the HPERC Regulations, thereby



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- indirectly reviving extinguished pre-CIRP dues, contrary to the IBC.
- xxvi) Because the Forum's reliance on judgments relating to supply disconnection/arrears is misplaced, as those judgments do not apply to a successful resolution applicant protected under Section 31 of the IBC.

G. Grounds Against para 65- Circular Reasoning and Factual Error

- xxvii) Because Para 65 is circular, it assumes the security deposit is extinguished and then uses that assumption to conclude that no security deposit exists for transfer. Since the premise itself is unproven, the conclusion collapses.
- xxviii) Because the Forum failed to appreciate that the HPSEBL did not disclose any lawful adjustment of security deposit.
- xxix) Because the Forum wrongly held that unpaid electricity dues automatically "offset" against the security deposit, which finding is in the teeth of the HPERC Regulations that require express adjustment and intimation.

H. Grounds Against para 67- Rejection of Transfer Without Legal Basis

- xxx) Because in Para 67, the Forum holds that transfer of security deposit would "enrich" the Consumer/Complainant, ignoring that Regulation 4 of the HPERC Regulations requires security to be maintained, not recreated. Transfer is a routine consequence of transfer of undertaking.
- xxxi) Because the Forum erred in holding that no security deposit can transfer to the Consumer/Complainant, even though the electricity connection, meter and contract demand remain the same.

I. Grounds Against para 68- Final Conclusion Based on Erroneous Premises

- xxxii) Because Para 68 summarily directs the Consumer/Complainant to deposit security afresh without verifying whether existing security covers the requirement under Regulation 4 of the HPERC Regulations, thereby violating the doctrine that statutory authorities must base decisions on relevant material.
- xxxiii) Because the Forum failed to consider that Regulation 4 of the HPERC Regulations permit re-calculation of security solely on actual or anticipated consumption, not on historical dues of a predecessor entity extinguished under the IBC.
- xxxiv) Because the Impugned Order mechanically applies the HPERC Regulations without assessing whether HPSEBL's demand notice complies with the mandatory calculation formula prescribed there under.

J. Violation of Regulation 4(3) of the HPERC Regulation-Not Adjusted by the Forum

- xxxv) The impugned demand is ex facie contrary to Regulation 4(3) of the HPERC Regulations which mandates that the licensee may recover only the shortfall, if any, between the existing Security Deposit and the Security Deposit computed on the basis of the average bill for (n+1.0) months.
- xxxvi) The predecessor in interest of the Consumer/Complainant has already deposited Rs. 99,46,600/-, which has not been taken into account while computing the alleged additional Security Deposit. The Respondents have raised *afresh* demand as if no such deposit exists. Such a demand is without jurisdiction and contrary to the statutory/regulatory formula, which requires adjustment of the existing deposit before determining any shortfall.
- xxxvii) Significantly, the Forum did not adjudicate or return any finding on whether the computation complied with Regulation 4(3) of the HPERC Regulations, whether the existing deposit was considered, or whether the Respondent could issue a fresh demand



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ignoring the deposit already held. The failure of the Forum to test the impugned demand against Regulation 4(3) of the HPERC Regulations renders the order unsustainable.

K. Violation of Regulation 6(2)(b) -Mandatory Notice and Calculation Not Issued: Forum Failed to Examine.

xxxviii) Under Regulation 6(2)(b) of the HPERC Regulations, the licensee is mandatorily required to issue:

- A 30-day prior written notice, and
- The detailed calculation of the shortfall before making any demand for additional Security Deposit.

xxxix) In the present case, the Respondents issued a bare demand letter with no notice period, no calculation sheet, no basis of computation, and no averaging as mandated by the HPERC Regulations. The notice is therefore procedurally defective and non-est.

xl) Crucially, the Forum failed to examine this fundamental statutory violation. There is no finding as to whether the mandatory 30-day notice was issued, whether calculations were supplied, or whether the demand complied with Regulation 6(2)(b) of the HPERC Regulations. Instead, the Forum proceeded on irrelevant considerations relating to the IBC, corporate debtor liabilities, and "enrichment", without addressing the very statutory provisions under which the demand is purportedly raised.

xli) the Impugned Order is thus vitiated for non-consideration of mandatory statutory requirements.

L. Violation of Proviso to Regulation-Illegal Denial of Installment Facility: Issue Not Examined by the Forum:

xlii) The Proviso to Regulation 6 of the HPERC Regulations expressly grants a consumer the right to pay the additional Security Deposit in four equal quarterly instalments, with the first instalment payable within 60 days of the demand.

xliii) The Respondent violated this statutory mandate by insisting on immediate payment of the entire amount and threatening coercive action (including ifl.isconnection). This conduct is *per se* illegal and contrary to the very Regulation under which the demand is claimed to be made.

xliv) Whosoever, the Forum did not adjudisate this issue at all. No finding exists as to:

. Whether the Consumer/Complainant was entitled to the instalment facility.

. Whether the demand violated the proviso to Regulation 6;

. Whether the coercive threats were legally sustainable.

26. Furthermore, it is submitted that in the scheme of the IBC, 2016 once a Corporate Debtor is admitted into CIRP, all recovery action for past dues come to a standstill. During CIRP period, the Corporate Debtor has to be kept as a going concern and all essential supplies of goods or services have to be continued, subject to payment of dues "arising from such supply during the moratorium period", that is, on payment of current dues. Recovery of past dues is specifically prohibited and the specified procedure envisages that the creditor will file claim, in proper form, before IRP/RP, which has been done in the present case. The Forum could not have adjusted the 'security payment deposit' against pre-CIRP dues.

27. The Forum failed to consider the judgment passed by the Hon'ble Supreme Court in the case of *Paschimanchal Vidyut Vitran Nigam Ltd. v. Raman /spat Private Limited & Ors.* in Civil Appel Nos. 7976 of 2019 has held that the provisions of the IBC override the provisions of the Electricity Act, 2003. The relevant portion of the judgment is reproduced below:

"52. The views expressed by the present judgment finds support in the decision reported as Sundaresh Bhatt, Liquidator of ABG



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Shipyard v. Central Board of indirect Taxes and Customs. In that case, Section 142A of the Customs Act 1962 was in issue - authorities had submitted that dues payable to it were to be treated as 'first charge' on the property of the assesses concerned.

In the resolution process, it was argued that the Customs Act, 1962 acquired primacy and had to be given effect to. This court, after noticing the overriding effect of Section 238 of the IBC, held as follows:

"55. For the sake of clarity following questions, may be answered as under: (a) Whether the provisions of the IBC would prevail over the Customs Act, and if so, to what extent?

The IBC would prevail over the Customs Act, to the extent that once moratorium is imposed in terms of Sections 14 or 33(5) of the IBC as the case may be, the respondent authority only has a limited jurisdiction to assess/determine the quantum of customs duty and other levies. The respondent authority does not have the power to initiate recovery of dues by means of sale/confiscation, as provided under the Customs Act. (b) Whether the respondent could claim title over the goods and issue notice to sell the goods in terms of the Customs Act when the liquidation process has been initiated? Answered in negative. 56. On the basis of the above discussions, following are our conclusions: (i) Once moratorium is imposed in terms of Sections 14 or 33(5) of the IBC as the case may be, the respondent authority only has a limited jurisdiction to assess/determine the quantum of customs duty and other levies. The respondent authority does not have the power to initiate recovery of dues by means of sale/confiscation, as provided under the Customs Act. (ii) After such assessment, the respondent authority has to submit its claims (concerning customs dues/operational debt) in terms of the procedure laid down, in strict compliance of the time periods prescribed under the IBC, before the adjudicating authority. (iii) In any case, the IBC/liquidator can immediately secure goods from the respondent authority to be dealt with appropriately, in terms of the IBC."

Similarly, in *Duncans Industries Ltd. v. AJ Agrochem*, Section 16G of the Tea Act, 1953 which required prior consent of the Central Government (for initiation of winding up proceedings) was held to be overridden by the IBC. In a similar manner, it is held that Section 238 of the IBC overrides the provisions of the Electricity Act, 2003 despite the latter containing two specific provisions which open with non-obstante clauses (i.e., Section 173 and 174). The position of law with respect to primacy of the IBC, is identical with the position discussed in *Sundaresh Bhatt and Duncan Industries (supra)* [refer also: *Innoventive Industries (supra)*, *CIT v. Monnet Ispat & Energy Ltd.*, *Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.*, and *Jagmohan Bajaj v. Shivam Fragrances Private Limited*]."



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28. In view of the above, the Forum acted beyond its jurisdiction by adjudicating upon matters directly governed by the IBC and the binding Resolution Plan approved by the Hon'ble NCLT which the Forum cannot reopen, rewrite, or reinterpret. The Forum relied extensively on HPSEBL's unsubstantiated assertions regarding adjustment, extinguishment, and apprehended losses, without requiring production of financial records, adjustment memos, or ledger entries thereby violating principles of natural justice and fair adjudication.

5. In order to have clarity on the findings of Id. CGRF w.r.t. above contentions of the Complainant, the order dt.19/11/2025 in Complaint No 3234/202508/25 needs to be reiterated in totality for record and reference as under:

Brief facts of Matter–

(1) Complaint has been filed under Regulations 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by M/s Orissa Metaliks Private Limited – R/o at 1, Garstin Place, Orbit House, 3rd Floor Kolkata, West Bengal - 700001;

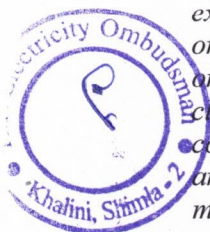
(2) As per the Complainant, pursuant to proceedings and Order passed by Ld National Company Law Tribunal (NCLT) on 04.10.2024, it has in the month of November 2024 taken over the plant of Corporate Debtor namely M/s Metenere Ltd at Damtal (Himachal Pradesh) and started running it. Against the said take-over, the approved Resolution Plan by the Ld NCLT, provided merger of Corporate Debtor into the petitioner before the Ld NCLT / Complainant herein;

(3) The said proceedings before the Ld NCLT are in terms of provisions of central Act namely the Insolvency and Bankruptcy Code, 2016;

(4) Under the Electricity Act, 2003, HP State Electricity Board Ltd (or the HPSEBL) is the electricity distribution licensee in State of Himachal Pradesh and also the Respondent herein. The electricity connection against the said plant in Damtal bears consumer ID No 100012000178 and is in the name of M/s Metenere Ltd, the plant of which has been taken over by the Complainant;

(5) In the matter, the Complainant before approaching this Forum had also filed CWP No 11306 of 2025, before the Hon'ble HP High Court challenging Demand Notice raised dated 30.06.2025 and also a coercive letter dated 08.07.2025 written by the Respondent. This CWP was disposed by the Hon'ble Court vide Order passed on 15.07.2025 (**Annexure C9**) which in its concluding para is pleased to order as follows: -

"5. Be that as it may, taking into consideration the fact that there is an alternative Dispute Redressal Fora exists and as the said statutory remedy has not been exhausted by the petitioner, this petition is disposed of with the direction that let the connection of the petitioner be restored forthwith and the same shall not be disconnected as upto 31.07.2025, to enable the petitioner to invoke the jurisdiction of the Statutory Fora. However, in case the petitioner does not approaches the appropriate Fora by 31.07.2025, then the protection granted to the petitioner shall cease to exist and shall come to an end and further, if the petitioner does approaches the statutory Fora on or before 31.07.2025, then the protection granted to the petitioner to continue till appropriate orders are passed on the application that may be filed by the petitioner seeking interim relief. It is clarified that this Court has not made any observation as far as the merits of the case are concerned and indulgence shown to the petitioner should not be construed as this Court has made any positive observation as far as the contentions of the petitioner are concerned. Pending miscellaneous applications, if any, also stand disposed of."



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(6) Pursuant to the ibid Order passed by the Hon'ble Court, the instant complaint was submitted before this Forum on 30.07.2025 and thereafter observation was raised on the same date by the Registry of the Forum for submission of copy of CWP filed by the Complainant before the Hon'ble HP High Court. After the Complainant attended to the said observation and placed on record copy of the said CWP, on 19.08.2025, matter for the first time came up for admission hearing before this Forum on 20.08.2020. Vide Forum Order passed on 03.09.2025 stay against disconnection of ibid consumer ID was granted;

(7) Complainant is aggrieved by the demand raised by the Respondent for Security Deposit vide Notice dated 30.06.2025 (**Annexure C6**) and further letter dated 08.07.2025 (**Annexure C7**) written by the Respondent, as required under the Electricity Act, 2003 and the relevant HPERC Regulations;

Complainant:

(8) That in accordance with the process, proceedings before the National Company Law Tribunal (NCLT), approval of Resolution Plan by the NCLT, Deposit of Plan Amount of Rs 295,14,95,611/= by it and Order passed by NCLT on 04.10.2024, it has in the month of November 2024 taken over the plant of Corporate Debtor namely M/s Metenere Ltd at Damtal (Himachal Pradesh) and started running it

(9) That it has regularly been paying electricity bills since November 2024 (**Annexure C-2**) and that in line with the merger sanctioned by the NCLT, on 13.06.2025 it wrote letter (**Annexure C3**) to Respondent requesting a formal change of name in the electricity records from M/s Metenere Ltd. to Orissa Metaliks Private Limited. Respondent replied on the same date requesting certain documents which was responded by it on 20.06.2025 stating that the name change was under process with the Registrar of Companies and would be completed shortly, following which the required formalities including submission of a fresh security deposit (BG) would be complied with. Copies of these letters along with Application pending before ROC are at **Annexure C4**;

(10) That on 24.06.2025, Respondent reiterated (**Annexure C5**) its earlier communication asking it to submit the change of name file online, and to follow Sales Manual Instructions;

(11) That without waiting for the completion of ROC formalities and without complying with any mandatory legal procedure, the Respondent issued an arbitrary demand notice dated 30.06.2025 (**Annexure C6**) demanding 1,56,85,212/- towards "new ACD" (Additional Consumption Deposit) citing vague references to the 3rd and 4th Amendments of the HPERC Regulations. The notice contained no supporting calculations, no adjustment of the existing deposit of ₹99,46,600/-, and no mention of the installment facility prescribed under law;

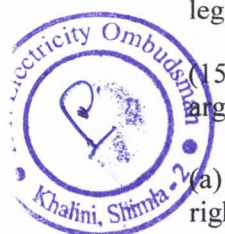
(12) That again without following due process or providing any calculation or justification, the foregoing was followed by a coercive threat letter dated 08.07.2025 (**Annexure C7**) from Respondent;

(13) That it objected to the demand on 11.07.2025 (**Annexure C8**);

(14) That on grounds of violation of HPERC Regulations 4(3), Regulation 6(2)(b), proviso of Regulation 6, violation of Articles 14 and 19 and violation of principles of natural justice and legitimate expectations, it is seeking reliefs.

(15) During the course of proceedings in the matter, Complainant also made written submissions / arguments-

(a) That on approval of Resolution Plan by the Ld NCLT, Corporate Debtor's business, all assets, rights and liabilities including subsisting contracts such as that of electricity supply are acquired and vested in the successful Resolution Applicant and all prior claims stand concluded and are



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extinguished and cannot be reopened and enforced against successful Resolution Applicant as has been settled by Hon'ble Supreme Court vide Judgments in matters titled Ghanashyam Mishra & Sons Pvt. Ltd. V. Edelweiss ARC reported in (2021) 9 SCC 657 and in Essar Steel India Ltd. V Satish Kumar Gupta reported in (2020) 8 SCC 531;

(b) That it is a going concern and a continuing consumer who has stepped into the shoes of the Corporate Debtor (M/s Metenere). The issue of the security deposit raised herein pertains exclusively to post-resolution and cannot be mixed with pre-CIRP liabilities. The issue of illegal demand raised by the Respondent is regulatory in nature and does not pertain to any pre-Corporate Insolvency Resolution proceedings, dues or recovery proceedings and the Respondent's attempt to link the same with insolvency related liabilities is misplaced and unsustainable;

(c) That the reliance placed by the Respondent on Paschimanchal Vidyut Vitaran Nigam Ltd. V DVS Steels & Alloys(P) Ltd reported in (2009) 1 SCC 210 is misplaced wherein the said decision deals with different facts and where a new applicant sought reconnection after disconnection due to default on the part of previous consumer.

Respondent:

(16) That Complainant has no locus-standi to file and maintain the present complaint while it is estopped due to its own act and conduct to file and maintain the present complaint;

(17) That originally M/s Metenere Ltd was released connection (SCO) in October 2010 and it continued to make regular payments till October 2020 and thereafter financial dispute with the State Bank of India (SBI) led to its insolvency proceedings, under the Insolvency and Bankruptcy Code, 2016, before the Hon'ble NCLT;

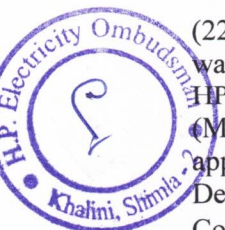
(18) That before initiation of CIRP process, M/s Metenere defaulted in making payments to the replying Respondent and liability amounting to Rs 2,02,14,983/- created against M/s Metenere, out of which Rs 1,23,55,283/- and Rs 39,79,000/- has been admitted (**Annexure RA1**) by the Resolution Professional of the firm;

(19) That vide Order passed by NCLT on 04.10.2024, Resolution Plan size of Rs 295,14,95,611/= towards CIRP costs and towards claims of Creditors along with and an additional infusion of capital amount of Rs 300,00,00,000/-, has been approved in favor of the Complainant for taking over operations of M/s Metenere;

(20) That Respondent received an application for change of name vide Metenere letter dated 13.06.2025 (**Annexure RA2**) for change of name from Metenere Ltd to Orissa Metaliks Ltd, where in it is also informed that the outstanding dues of Rs 2,05,27,335/- shall be discharged and paid by RP after clearance from NCLT court;

(21) That in accordance with sub-regulation 4 and 6 of the (Third Amendment) Security Deposit Regulations, 2020 notified by the HPERC on 03.07.2020, Respondent has issued notice to the Complainant for deposit of Additional Security Deposit of Rs 1,56,85,212/- (**Annexure C6**);

(22) That the complaint is misconceived as it seeks the adjustment of security deposit or the waiver of statutory charges. The Complainant is bound by provisions of HPSEBL Sales Manual / HPERC (Security Deposit) Regulations, 2005. Complainant has taken over the Corporate Debtor (M/s Metenere) assets subject to all existing liabilities, including electricity dues in terms of approved Resolution Plan. Complainant having voluntarily stepped into the shoes of the Corporate Debtor, is bound by the terms and conditions of supply, HPERC Regulations and Supply Code and Complainant cannot avoid statutory liability by alleging pending ROC formalities. In the matter the Complainant was required to deposit Rs 1,56,85,212/- towards security along with submission of requisite documents and completion of prescribed procedure which has



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not been done by it. Vide Annexure C6 dated 30.06.2025 calculation along with security amount has been conveyed to the Complainant. Vide its letters dated 13.06.2025, 20.06.2025 and 24.06.2025 multiple opportunities were given however, Complainant is neither completing the process of change of name nor depositing the Security as per Regulations;

(23) That the NCLT Approval does not exempt the Complainant from the HPERC (Security Deposit) Regulations. Further, the Hon'ble Supreme Court in Paschimanchal Vidyut Vitaran Nigam Ltd Vs D.V.S Steels and Alloys (P) Ltd., (2009) 1 SCC 210 has held that a new purchaser / consumer is liable to comply with statutory conditions of supply, including fresh deposits, irrespective of earlier dues or arrangements;

(24) Electricity Supply constitutes an essential service and the Insolvency and Bankruptcy Code, 2016 does not absolve the corporate debtor from obligation to clear its outstanding dues. On approval of Resolution Plan on 04.10.2024, moratorium period has culminated and the liability of M/s Metenere Ltd and the Complainant towards it remains payable and enforceable under the approved Resolution Plan. The alleged infusion of additional capital does not exempt the Complainant from statutory requirements, electricity dues and Security Deposits;

(25) On foregoing grounds, the Respondent has prayed for dismissing the complaint with directions to the Complainant to complete process of change of name and to deposit additional security deposit amount of Rs 1,56,85,212/- as per revised Regulations within a time period.

ORDER

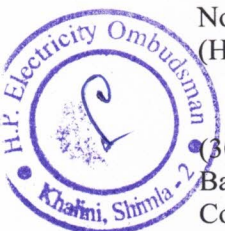
(26) Forum at the outset observes that Complainant's grievance is against the monetary demand for Security Deposit raised by the Respondent vide Annexure C6 dated 30.06.2025;

(27) It is the Complainant's submissions and arguments that on approval of Resolution Plan by the Ld NCLT, Corporate Debtor's business, all assets, rights and liabilities including subsisting contracts such as that of electricity supply are acquired and vested in it being the successful Resolution Applicant. Accordingly, all prior claims stand concluded and are extinguished and cannot be reopened and enforced against successful Resolution Applicant;

(28) Complainant has also submitted and argued that, it is a going concern and a continuing consumer who has stepped into the shoes of the Corporate Debtor (M/s Metenere) and that the issue of the security deposit being raised herein pertains exclusively to post-resolution and cannot be mixed with pre-CIRP liabilities. Further, the issue of demand raised by the Respondent is regulatory in nature and does not pertain to any pre-Corporate Insolvency Resolution proceedings, dues or recovery proceedings and thus no fresh Security can be imposed. Still further, the said demand seeks to treat the Complainant being an existing consumer as a new consumer and to recover fresh deposit. Still further that the existing supply connection continues without interruption or re-application and that it is regularly paying the electricity bills raised by the Respondent;

(29) Forum observes that the said proceedings before the Ld NCLT are in terms of provisions of central Act namely the Insolvency and Bankruptcy Code, 2016. Pursuant to these proceedings before the Ld National Company Law Tribunal (NCLT), approval of Resolution Plan by the Ld NCLT and Order passed by the Ld NCLT on 04.10.2024, the Complainant in the month of November 2024 has taken over the plant of Corporate Debtor namely M/s Metenere Ltd at Damtal (Himachal Pradesh) and started running it;

(30) Forum has examined the relevant provisions of the Electricity Act, 2003, Insolvency and Bankruptcy Code, 2016, various relevant Regulations framed by the Ld HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of the HPERC (Consumer Grievances



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Redressal Forum and Ombudsman) Regulations, 2013 (or in short referred to as the 'CGRF Regulations'), HPERC (Security Deposit) Regulations, 2005, HP Electricity Supply Code, 2009 (or in short referred to as 'the Supply Code') and amendments thereto, HPSEBL Sales Manual, CWP filed by the Complainant before the Hon'ble HP High Court, Orders passed by the Ld NCLT and the Hon'ble Court placed on record, Judgments of the Hon'ble Apex Court cited by the parties and record as facts along with pleadings of the parties. This Forum has heard the parties at length. The considered opinion of the Forum has been gathered after considering the fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;

(31) Before the Forum delves into the case of the Complainant, foremost it finds it necessary and expedient to decide the issue of locus-standi contended by the Respondent in terms of Complainant's right to raise and maintain the instant grievance against the monetary demand for Security Deposit raised by the Respondent on 30.06.2025 (**Annexure C6**), not upon the Complainant but upon the Corporate Debtor (M/s Metenere) –

(32) Forum finds that Complainant has not objected to the ibid contention with regard to locus-standi raised by the Respondent;

(33) The Complainant has merely stated on record that on approval of Resolution Plan by the Ld NCLT, it being the successful Resolution Applicant has taken over the plant at Damtal (HP)/ business of the Corporate Debtor (M/s Metenere) and is running the said plant and is regularly paying the electricity bills raised by the Respondent;

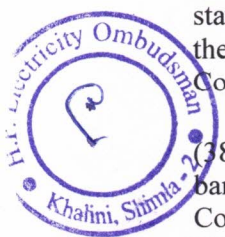
(34) During the proceedings before this Forum, Complainant informed the Forum that when it took over the plant, its electricity connection was not a disconnected one. This was not opposed by the Respondent. Complainant also placed on record a single page Certificate of Amalgamation dated 02.09.2025 in respect of M/s Metenere Ltd issued by the Ministry of Corporate Affairs;

(35) From foregoing, Forum safely summarizes that the electricity connection of the Corporate Debtor was not disconnected by the Respondent when the Complainant took over the plant at Damtal and that the status of the Corporate Debtor remained that of a going concern during the Resolution process. Further, Complainant claims to have been supplied electricity by the Respondent which is evident from the electricity bills (**Annexure C2**) after it took over the plant;

(36) However, Respondent has pointed out that the Complainant after stepping into the shoes of Corporate Debtor (M/s Metenere), has not completed the codal formalities as required under the statute notified by the HPERC, which includes change of name, executing Agreement and deposit of Security mandated by way of HPERC Regulations;

(37) From perusal of code 3.5 of HP Electricity Supply Code, 2009 notified by the HPERC read with its Appendix, for transfer of title / ownership, Forum finds that the Complainant has to submit an 'Application and Agreement form' and complete all codal formalities as required under the statute, which the Forum from record does not find to have been done by the Complainant. Thus in the eyes of the Respondent, complaint is barred on grounds of locus-standi because the Complainant does not exist in record of the Respondent as a consumer;

(38) From foregoing, Forum observes that while the Respondent perceives the complaint to be barred on grounds of locus-standi, however, Complainant, having taken over the plant of Corporate Debtor (M/s Metenere) at Damtal and stepped into its shoes in accordance with the Ld NCLT Order dated 04.10.2024 and the plant continued to remain electrically connected and receive electricity supply and further Certificate of Amalgamation issued on 02.09.2025,



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therefore in the considered opinion of the Forum, even if the perception of the Respondent is valid, however, when dispute has arisen between parties that concerns a matter of electricity which is within Forum's jurisdiction to adjudicate upon, then Forum's indulgence becomes necessary and it shall not be in the interest of justice to sustain the issue of locus-standi raised by the Respondent;

(39) Therefore, Forum in interest of justice, decides to proceed in the matter without considering the issue of locus-standi raised by the Respondent in terms of Complainant's right to raise and maintain the instant grievance against the monetary demand for Security Deposit raised by the Respondent not upon the Complainant but upon the Corporate Debtor (M/s Metenere) and accordingly here-in-after proceeds to determine the matter on its merits-

(40) However Forum points out that despite Forum's decision to not consider the ibid issue of locus standi raised by the Respondent, Forum holds that once the Complainant has stepped into the shoes of the Corporate Debtor (M/s Metenere), then in matters of electricity, Complainant shall be governed by the electricity laws which are in terms of central Act namely the Electricity Act, 2003 / Regulations notified by the HPERC and the Complainant cannot on its own hold exemption from not being governed by the Electricity laws and shall accordingly be mandated to complete the codal formalities as required under the statute for availing and continuing the electricity connection and supply which includes but is not limited to applying to the Respondent for change of name, executing an Agreement and paying any monetary dues that may become due under the statute and it is not open to the Complainant to defy the electricity statute in any way. It is also not open for the Complainant to presume that once the plant/industrial unit has been taken over by it pursuant to Ld NCLD Orders dated 04.10.2024 passed under provisions of central Act namely the Insolvency and Bankruptcy Code, 2016, then it was/is not bound by the electricity statute which includes Regulations/ Codes framed by the HPERC and was thus not required to apply separately to the Respondent for change of name and/or to execute an Agreement with the Respondent. The Complainant cannot be a judge of its own cause. The stand adopted by the Complainant tantamount to wrong implications. When the Complainant has taken over the business and assets of the Corporate Debtor (M/s Metenere) by way of Ld NCLT Order, then it is not for it to decide that it is not bound to execute a separate Agreement for electricity supply and that the already executed Agreement between the Respondent and M/s Metenere automatically becomes that between it and the Respondent. This would then have the wrong resultant effects such as that while the electricity connection in the records of the Respondent, the future electricity bills and the future violations / offences specified in the Act, to continue in the name of Corporate Debtor (M/s Metenere) for all times however, the Complainant continues to avail and enjoy the electricity supply during these times. This stand adopted by the Complainant is obviously wrong and untenable in the context of electricity statute governing it. In the instant matter, Forum holds that in matters of electricity, the Complainant is bound to be governed by the electricity statute / laws and it is not open to the Complainant to hold exemption from the applicability of the electricity statute / laws to it;

(41) Subsequent to the NCLT proceedings, Forum, with regard to its ibid observations on the applicability of electricity statute to the Complainant in matters of electricity, finds its observations to be in consonance with the the import of Ld NCLAT judgment in Appeal titled Maithan Alloys Limited Vs Easter Power Distribution Company and Anr, No Comp. App. (AT) (Ins) No. 1514 of 2024 & I.A. No. 5492, 5493 of 2024, cited by the Respondent.

(42) Now moving forward, before the Forum delves into the case of the Complainant with regard to the issue of monetary demand for Security Deposit raised upon it by the Respondent, Forum observes and finds that the parties in their respective submissions and arguments have relied upon Sales Manual Instructions and used the term "ACD" in short for "Advance Consumption Deposit". Forum is inclined to understand these-



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(43) From perusal of statute, Forum finds that the term “ACD” (in short for “Advance Consumption Deposit”) was prevalent before the advent of the statute namely ‘the Electricity Act, 2003’. Pursuant to the advent of the said statute, this term was substituted with the term ‘Security Deposit’ when also a Security Deposit Regulation was notified by the HPERC. However, Forum observes that the offices of the Respondent continue to use the erstwhile term ACD interchangeably with the term Security Deposit;

(44) Further, on examining the Sales Manual of the Respondent HPSEBL, Forum finds that this is an internal document of the Respondent carrying therein standardized instructions to its field units with regard to common operational procedures to be adopted by them. While this Sales Manual may be applicable to the Respondent, however, when statute under the Electricity Act, 2003 has already been laid down and notified by the HP Electricity Commission by way of the HP Electricity Supply Code, 2009, Security Deposit Regulations and other Regulations respectively, then this Sales Manual in the opinion of the Forum does not supersede the said prevailing statute and thus cannot be relied upon by the Complainant nor help the Forum in determining the instant complaint. Forum holds that its decision has to be governed by the prevailing statute that includes the Electricity Act, 2003 and the Regulations / Code notified by the HPERC under this Act.

(45) Now coming to the case of the Complainant, where the monetary demand for Security Deposit raised by the Respondent vide Annexure C6 dated 30.06.2025 has been challenged, Forum after placing reliance on the said electricity statute notified under the Act, proceeds to determine the instant complaint-

(46) Briefly, it is the Complainant’s argument in support of its case that the Security previously deposited by Corporate Debtor (M/s Metenere), by default now becomes that of its because it has taken over the assets of the M/s Metenere. Further, that the monetary demand for Security Deposit raised by the Respondent vide Annexure C6 dated 30.06.2025 is wrong and illegal because the Security already available with the Respondent has to be adjusted / factored in while determining the Security Deposit now payable by it. Still further, that the said Security deposited by Corporate Debtor (M/s Metenere) cannot be adjusted against the outstanding payable by the Corporate Debtor (M/s Metenere) because this outstanding has been admitted in the Resolution Plan where the Ld NCLT has passed Orders on 04.10.2024. The issue of the Security Deposit raised by it herein pertains exclusively to post-resolution and cannot be mixed with pre-CIRP liabilities in context of a going concern.

(47) Forum is inclined to analyze the validity and sustainability of above arguments made by the Complainant-

(48) Forum after perusal of the electricity statute, at the outset observes that pursuant to claim against the Corporate Debtor (M/s Metenere) filed by the Respondent in the proceedings before the NCLT and Order passed by the Ld NCLT, if the complete claim against default committed by the Corporate Debtor is not received by the Respondent, then that shall either result in permanent loss to the Respondent being a distribution licensee under the electricity statute or result in such default burdening other electricity consumers under the existing Electricity Regulatory regime. Both of these eventualities are bad. Here the existence of the Corporate Debtor as a going concern has to be ensured so as to balance the interests of all stake holders which also include the existence of the Respondent as a going concern. Here the Respondent as an electricity distribution licensee does not cater to a single electricity consumer but to many and it cannot be expected to continue to bear the losses or pass on its losses to other consumers every time high end consumers resort to the insolvency and bankruptcy proceedings before the NCLT. The existence of the Respondent cannot be threatened and it cannot be the position of law that to save an enterprise, the existence of other enterprises be threatened or other electricity consumers be made to be burdened with such loss in the electricity regulatory regime;





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(49) Forum finds the ibid observations of its to be in consonance with the discussion in para 71 in case titled Essar Steel India Ltd. V Satish Kumar Gupta cited by the Complainant with regard to the Corporate Debtor who must be kept a 'going concern' during the insolvency resolution, so as to enable it to pay the operational creditors without which such operations as a going concern would become impossible.

(50) Forum also observes that the instant matter is with regard to the issue where the Complainant as a successful Resolution Applicant in the NCLT proceedings seeks adjusting the Security deposited by the Corporate Debtor against that demanded by the Respondent vide Annexure C6 dated 30.06.2025 and it is this issue which is before this Forum for determination-

(51) Forum after perusal of the electricity statute finds that the position of law with regard to the said Security is as laid down in the Electricity Act, 2003. Forum finds that the Regulations framed by the HPERC are in terms of the provisions of this Electricity Act, 2003. Forum is therefore of the opinion that the provisions of the Act be reproduced here for the sake of convenience and is as follows:-

"47. Power to require security.--(1) *Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as determined by regulations, for the payment to him of all monies which may become due to him -*

(a) in respect of the electricity supplied to such persons; or

(b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter,

and if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity to such person or to provide the line or plant or meter for the period during which the failure continues.

(2) Where any person has not given such security as is mentioned in subsection (1) or the security given by any person has become invalid or insufficient, the distribution licensee may, by notice, require that person, within thirty days after the service of the notice, to give him reasonable security for the payment of all monies which may become due to him in respect of the supply of electricity or provision of such line or plant or meter.

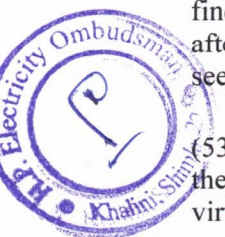
(3) If the person referred to in sub-section (2) fails to give such security, the distribution licensee may, if he thinks fit, discontinue the supply of electricity for the period during which the failure continues.

(4) The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security.

(5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter."

(52) From the perusal of the ibid provisions of the Act on Security Deposit, Forum safely summarizes that the Security Deposit is allowed to be received / recovered by the Respondent distribution licensee against the electricity supplied / to be supplied to a consumer in respect of which monies may become due, implying thereby that any electricity supplied to a consumer, if remaining unpaid/defaulted, is extinguished/offset with the available Security Deposit. Forum finds the ibid provisions to be of continuous nature and not one time. This further implies that, after the said extinguishment/offsetting, the distribution licensee becomes vested with the right to seek additional security from a defaulting consumer;

(53) The above is now seen in light of the issue raised by the Complainant. It is the submission of the Complainant that because it has now stepped into the shoes of the Corporate Debtor thus by virtue of the Ld NCLT Order, the assets of Company earlier owned by the Corporate Debtor are



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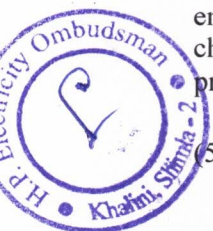
now vested in it. Further, it is also submitted by the Complainant itself that along with the assets, the liabilities of the Corporate Debtor are also vested in it;

(54) Forum on perusal of the Ld NCLT Order passed on 04.10.2024, finds that it admits claims from the stake holders against the Corporate Debtor and thereafter approves the quantum of claim disburseable to these stake holders. Further, from perusal of the ibid Ld NCLT Order, Forum finds that when the Order allows the transfer of assets of the Corporate Debtor (M/s Metenere) to the Complainant, it nowhere bars or disallows the transfer of the Corporate Debtor's liabilities. simply takes from the successful Resolution Applicant a fixed deposit of Rs 295,14,95,611/= against the admitted claims of the creditors to the tune of Rs 3672.39 crore. Thus, as per Complainant's argument, the burden of the default against electricity supplied (in units) to the Corporate Debtor will also have to be inherited by it along with any Security Deposit, which nowhere is the case of the Complainant;

(55) Thus, Forum holds that when the Corporate Debtor (M/s Metenere) is a going concern, its liabilities are also transferred to the Complainant along with the Corporate Debtor's assets. Here in the instant matter even prior to the NCLT proceedings, the liability is that of erstwhile electricity supplied (in electricity units) to the corporate debtor which is a pre-CIRP liability while the Security deposit by the Corporate Debtor is also a pre-CIRP liability with Respondent, having been received by the Respondent against the electricity supplied to the Corporate debtor by the it. Accordingly, if the Corporate Debtor's Security deposit gets vested into the Complainant after the CIRP, then so does the electricity supplied to it, if not paid by the Corporate Debtor and if this electricity supplied does not get vested, then the Security deposit by Corporate Debtor too cannot. Equitable treatment cannot be that pre-CIRP asset/liability is offset against a post CIRP liability of the Complainant as is wrongly being sought by the Complainant. To only vest the Security Deposit of the Corporate Debtor into the Complainant and not the unpaid electricity supplied to the Corporate Debtor, amounts to enriching the Complainant which Forum holds as patently wrong and cannot be the intention of the law especially when the Complainant has taken over the plant after deposit of Plan amount of Rs 295,14,95,611/= against the admitted claims of the creditors to the tune of Rs 3672.39 crore, which in the opinion of the Forum is final as per the Orders of the Ld NCLT;

(56) The Respondent during the hearing in the matter, informed the Forum that pursuant to the Orders passed by the Ld NCLT on 04.10.2024, till date no amount towards its filed claim as an operational creditor, has been received by it and that based on its past experience it was also not bound to receive the complete default committed by the Corporate Debtor or to receive only a meager amount resulting in loss to it. This also becomes evident from the fact of admitted claims by the creditors being to the tune of Rs 3672.39 crore against the approved deposit by the Complainant which is approximately to the tune of Rs 295.15 crore and on this the operational creditor has no say or vote either before the Committee of Creditors (CoC) or in the proceedings before the NCLT. Being an operational creditor, the claim filed by the Respondent is under the presumption that neither will it be denied its claim nor its claim reduced in any manner because during the Resolution proceedings the Corporate Debtor is bona-fide kept a going concern by the Respondent who continues to receive electricity and its electricity connection not disconnected, as is the case in the instant matter. Forum is of the opinion that Respondent to later be denied its claim or its claim subverted in any manner, is detrimental to the concept of keeping a Corporate Debtor a going concern. If such eventualities arise before the Respondent, then the only option before the Respondent shall be to disconnect a consumer Corporate Debtor, immediately on default, so as to prevent future arrears from piling up during the Resolution process and thus enable the Respondent to protect its interest and that of other electricity consumers and further to challenge before the Hon'ble Courts any directions by the Ld NCLT during the Insolvency proceedings to keep a Corporate Debtor a going concern.

(57) Now coming to various judgments cited by the Parties-



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(58) Forum has gone through Judgment passed by the Hon'ble Apex Court, as relied upon in its Reply by the Respondent, titled Paschimanchal Vidyut Vitaran Nigam Ltd Vs D.V.S Steels and Alloys (P) Ltd., (2009) 1 SCC 210. Forum finds that while this Judgment is in terms of the Electricity Act, 2003 for the recovery of electricity dues from the purchaser of a sub-divided plot however, the factual matrix therein is different from that in the instant matter for the reason that the matter before the Apex Court is not one pertaining to NCLT proceedings under the Insolvency and Bankruptcy Code, 2016 and is therefore distinguishable;

(59) On the other hand, during the hearing stage the Respondent also relied upon Learned National Company Law Appellate Tribunal (Ld NCLAT) judgment in Appeal titled Maithan Alloys Limited Vs Easter Power Distribution Company and Anr, No Comp. App. (AT) (Ins) No. 1514 of 2024 & I.A. No. 5492, 5493 of 2024 wherein the Appellant has been held liable to pay true up charges determined by the Electricity Regulatory Commission after it took over the Corporate Debtor being a going concern and Sales Certificate issued, under the Insolvency and Bankruptcy Code, 2016. Forum observes that Truing-Up is integral in the process of Tariff Determination under the Electricity Act, 2003 thus implying that even a successful Resolution Applicant in the CIRP is governed by the electricity statute in matters of electricity, as is the case in the instant matter. This position held by the Ld NCLAT, vindicates the position held by the Forum in this Order;

(60) Forum has also gone through the judgments of the Hon'ble Apex Court cited by the Complainant. Forum finds that the Hon'ble Apex Court in para 105 and para 107 of case titled Essar Steel India Ltd. V Satish Kumar Gupta, while relying on case titled SBI v. V Ramakrishnan, has held that an approved resolution plan is binding on all stake holders for the reason that the provisions of Section 31(1) of the NCLT Code ensures that successful resolution applicant starts running the business of the Corporate Debtor on a clean slate and that it cannot suddenly be faced with undecided claims after the resolution plan submitted by him is accepted. All claims must be submitted to and decided by the Resolution Professional so that the prospective Resolution Applicant knows exactly what has to be paid in order that it may then take over and run the business of the Corporate Debtor;

(61) Forum finds that the factual matrix in the instant matter is not that of undecided claims being raised upon the Complainant after the resolution plan submitted by it is accepted but, on the contrary, relates to the payment of Security Deposit by the Complainant against electricity to be supplied to it by the Respondent in accordance with the Electricity statute and where the Complainant wrongly seeks adjustment of this Security Deposit by way of the Security deposited by the Corporate Debtor. This issue raised by the Complainant is therefore distinguishable from law being cited by it. Complainant has failed to appreciate that the said Security Deposit made by the Corporate Debtor is deemed immediately extinguished / offset against the electricity supplied by the Respondent to the Corporate Debtor at the time of default of payment by it and any formal order of adjustment shall not be required or shall merely be consequential to accounts / accounting. Further, the Complainant has also failed to appreciate that that no Security Deposit now remains with the Respondent for adjustment against the Security to be deposited by the Complainant. Still further, the Complainant has failed to appreciate that to seek adjustment of any Security deposited by the Corporate Debtor in the past, results in enriching the Complainant over and above the Plan amount of Rs 295,14,95,611/= deposited by it. Still further, the Complainant has also failed to appreciate that such Security was in the first place recovered by the Respondent from the Corporate Debtor pursuant to the Electricity Act, 2003 and against the electricity to be supplied to it and that the dues arising therefrom offset/extinguish the Corporate Debtors default against the electricity supplied to it either to keep it a going concern or otherwise also;



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(62) Here the fact is that the Corporate Debtor was kept a going concern from October 2020 to October/ November 2024 and it is not the question of Complainant being a going concern which may be a question in future. Here, the Security deposit by the Corporate Debtor against which electricity was supplied to it by the Respondent immediately stands extinguished / offset against the Corporate Debtors default. Thus the Security to now be deposit by the Complainant has to be against the electricity now to be supplied to it and dues arising therefrom, which has to be in terms of the electricity statute and not the NCLT statute, even if its stepping into the system is in continuity of a previous consumer being the Corporate Debtor. Thus the judgments passed by the Hon'ble Apex Court and cited by the Complainant cannot come in support of the Complainant;

(63) In the present matter, Forum reiterates and holds that the Complainant wrongly perceives the Security deposited by the Corporate Debtor to not extinguish the default against electricity consumption on part of the Corporate Debtor but to enrich the Complainant over and above its approved plan amount of Rs 295,14,95,611/=. This enriching cannot be allowed by the Forum under the garb of the Complainant claiming itself to be a going concern which defeats the very concept of a going concern in respect of the Corporate Debtor to whom electricity was continued to be supplied from October 2020 to October/ November 2024 to keep it a going concern. Forum holds that Law cannot be seen and read in isolation;

(64) Forum reiterates and holds that even when the Complainant has to start on a fresh slate, however still the law governing the electricity is applicable to it when it steps into the system and the Complainant cannot claim directly or indirectly on its own to either not be governed by the electricity laws or to not pay the Security Deposit due from it under the electricity laws or to escape a statutory provision;

(65) Thus the only conclusion that becomes effective in the instant matter is that against the electricity supplied (in electricity units) to Corporate Debtor (M/s Metenere) to keep it a going concern, defaults / fails to make payment against such electricity supplied, then the said Security deposited by it with the Respondent, immediately extinguishes / offsets the said default as is in the instant matter;

(66) Forum does not find any strength in the arguments by the Complainant that the issue of the Security Deposit raised herein pertains exclusively to post-resolution and cannot be mixed with pre-CIRP liabilities in context of it being a going concern and that it is being burdened by additional Security Deposit. Forum cannot hold a statutory levy to be a burden;

(67) In the instant matter, when the defaulted / unpaid electricity (in electricity units) supplied to the Corporate Debtor (M/s Metenere) before the start of the NCLT proceedings is deemed extinguished / offset against the complete Security deposited by M/s Metenere, then Forum holds that there exists no question of Security transfer into the account of the Complainant and consequently enriching the Complainant over and above the Plan amount of Rs 295,14,95,611/= deposited by it;

(68) Forum further holds that against electricity supplied / to be supplied to the Complainant, the Complainant is mandated under the statute to deposit the Security, by whatever name 'initial' or 'additional', at the rates specified in the relevant HPERC Security Deposit Regulations and amendments thereto notified under the Electricity Act, 2003;

(69) Forum thus finds the arguments made by the Complainant in support of its case, to be farfetched and legally untenable in the facts and circumstances of the instant matter. Forum holds that the arguments of the Complainant do not sustain and accordingly rejects and dismisses such argument as being misleading, wrong, invalid and baseless;



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(70) Forum further holds that when the Complainant is compulsorily mandated under the relevant electricity statute to deposit Security at the rates as specified in the HPERC Regulations then for the Respondent to demand such Security shall not amount to Respondent's action as being arbitrary, unreasonable, violative of Article 14 and 19(1)(g) of the Constitution, against principles of natural justice and legitimate expectation or illegal in any way for the simple reason that the Security deposit demand by the Respondent is in consonance with the Electricity Act, 2003 and also that no prejudice arises against the Complainant if it deposits such Security. To not deposit Security shall be against the electricity statute and the Complainant shall be liable to be proceeded against by the Respondent under the provisions of electricity statute governing the instant matter, which includes taking any coercive action against the Complainant;

(71) In view of foregoing, Forum does not find any violation / contravention of electricity statute by the Respondent and finds the demand for Security Deposit raised by Respondent vide Annexure C6 dated 30.06.2025 to be legal and valid and accordingly upholds the same.

(72) Complainant is directed to deposit the Security raised by Respondent vide Annexure C6 dated 30.06.2025, within a period of 10 days from this Order;

(73) On not depositing the said Security raised by Respondent vide Annexure C6 dated 30.06.2025, as directed in the para supra, the Respondent shall be at liberty to take action as per electricity statute governing the instant matter;

(74) Any stay granted in the matter is accordingly vacated in view of foregoing findings by the Forum.

On aforesaid terms, the complaint is **Dismissed** and accordingly disposed.

Parties are left to bear their own costs.

Order is announced before the parties present today on 19.11.2025 at Shimla in open Forum.

Certified copies of this Order be supplied to the parties. The complaint along with this Order be consigned to record room for safe custody.

6. Case called, the matter was heard for admissions on 22/12/2025:

- a. The Id. Counsel for Complainant could not convince the Court regarding the deposit of 50% disputed amount. However, being mandatory in terms of Regulation 33 (1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 **towards Limitation / pre-condition for entertaining the complaint**, the Id. Counsel for Complainant was directed to submit proof of deposit of 50% of the disputed amount with the Respondents in the next date of hearing.
- b. However, restraining the Respondent Board from disconnecting the electricity supply to the premises of the Complainant till admissions, was kept continued in the public interest. **The matter was admitted to the extent of initiation of proceedings subject to submission of above mandatory requirements as well as apprising this Court through Affidavit regarding Nil pendency of applications related to instant matter before any competent Court of Law, in the next date of hearing.**



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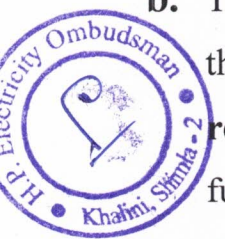
Accordingly, the matter was listed for final arguments on dated 07.01.2026 at 12:00 PM or immediately thereafter with directions to the Respondent Board to submit reply positively by 02.01.2026 and Rejoinder if any by the complainant thereafter.

7. Case called, the matter was heard on 07.01.2026. The Respondents submitted reply on dt. 19.12.2025 on the main Representation as well as the Application seeking exemption from pre-deposit which were taken on record and pleadings took place as under:

a. That the Sr. Id. Counsel for Complainant at the very outset submitted an affidavit seeking exemption for making payment for pre-deposit of 50% of the disputed amount and apprised the Court, the present status of writ petition pending before Hon'ble High Court which was taken on record. However, the said affidavit could not meet the mandatory requirements of **Limitation / pre-condition for entertaining the complaint in terms of regulation 33 (1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013** and did not even submit proof of deposit of 50% of the disputed amount with the Respondents as directed by this court's order dt. 12/12/2025 and subsequently, non-withdrawal of case which was although on restraining Respondents from disconnection of supply but was well associated with the principal case and as per affidavit, reported to be still lying pending adjudication before Hon'ble High Court.

b. That the Id. Counsel (Under Secretary Law) for Respondents emphasized that the **Limitation / pre-condition for entertaining the complaint in terms of regulation 33 (1)(c) & 33(1)(g)** are mandatory to start with proceedings and further read out the said conditions for appraisal of the court.

c. That the Sr. Id. Counsel for Complainant thereafter ensured deposit of 50% amount with respondents at the earliest and withdrawal of said case from



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Hon'ble High Court & prayed for 15 to 20 days' time for furnishing. Considering this as genuine in the public interest, prayer granted.

- d. That since the matter was admitted during hearing on dt. 12/12/2025 subject to the submission of above mandatory requirements as well as apprising this Court *through Affidavit* regarding Nil pendency of applications related to instant matter before any competent Court of Law, failure to furnish the same by the Complainant until now, **the admission was kept on hold till next date of hearing.** However, the directions to restrain the Respondent Board from disconnecting the electricity supply to the premises of the Complainant **were kept sustained in the public interest till confirmation of Admissions.**
- e. Accordingly, the Complainant was directed to furnish all above pre-requisites before next date of hearing **to facilitate confirmation of Admission which was kept on hold** and thereafter final arguments in the matter.
8. Due to want of above pendency, **neither the admission could be confirmed nor the final arguments could be conducted.** In view of above and to curb further delay, the matter was listed for confirmation of Admission/final arguments on dated 07.03.2026 at 12:00 PM or immediately thereafter with further directions to the complainant to submit Rejoinder if any or otherwise failure to furnish the above prerequisites, the matter would be disposed as dismissed with liberty to the Complainant to file afresh after furnishing the same as the sufficient time to deal with all above pendency stood granted to the Complainant. *The order was also placed at site as well as conveyed telephonically for the convenience of concerned.*



Final

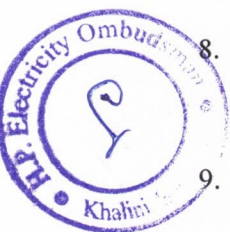


9. In order to fetch more clarity in respect of submissions made by the Complainant, the reply dt. 19.12.2025 submitted by the Respondents is also reiterated in totality as under:

Respondent's Reply:

PRELIMINARY SUBMISSIONS:

1. That the HP State Electricity Board limited is a body corporate incorporated under the Statute namely the Companies Act, 1956 mainly as a "distribution company" having perpetual succession and a common seal with powers to acquire and hold properties both movable and immovable and is to sue and be sued in the said name. On and w.e.f. 15.6.2010 certain assets, rights, interest in properties of the erstwhile HPSEB-Board have also been re-vested by the State of HP vide its notification dated 10.6.2010.
2. That Er.Rajiv Kumar is the Dy. Chief Engineer (op) Circle, HPSEBL Dalhousie, who is duly empowered and authorized to sign, attest, file any proceedings by and on behalf of the appellatant Board and to sign any Power of Attorney on behalf of it, before any court of law including this Hon'ble Court hence the present reply is being filed under his seal and signature.
3. That the answering respondent is a Distribution Licensee under the Electricity Act, 2003 and is authorized to operate and maintain a distribution system for supplying electricity to its consumers in the State of Himachal Pradesh. It is added that replying respondent was supplying electricity to the factory premises of Corporate Debtor. It is pertinent to note here that even before initiation of CIRP the corporate debtor had been defaulting in making the Payments to the answering respondent in respect of use of electricity total amounting to Rs. 2.10 Cr in the case.
4. That the averments made in the present representation are false, baseless and misconceived and have been raised with the sole intent and purpose of defeating the rights of the answering respondent.
5. That at the very outset, save and except what is a matter of record, the answering respondent denies each and every allegation, submission and averment as stated in the representation filed by the Complainant, unless specifically admitted hereinafter. Any frivolous and vexatious contents made in the present representation shall be treated as denied unless specifically admitted hereinafter.
6. That the present reply is being filed without prejudice to the rights of the answering respondent as are available with it under the relevant provisions of law. The present representation is wholly misconceived, unsustainable in the eyes of law as the same has been filed without justified reason/ cause and to wriggle out of his admitted liability and hence the present representation is liable to be dismissed at the threshold itself.
7. That the present representation filed by the Complainant is misconceived, devoid of merits, and liable to be dismissed, as the impugned order passed by the Ld. CGRF is strictly in accordance with the Electricity Act, 2003, the HPERC Regulations, and the factual matrix of the case.
8. That the Ld. CGRF has passed a reasoned and speaking order, after considering all material documents, submissions of both parties, and applicable regulations. The Forum has correctly appreciated the evidence and has arrived at findings which are legally sustainable and factually accurate.
9. That the reply filed by HPSEBL before the Hon'ble CGRF, along with all annexures, documents, and submissions, may kindly be read as part and parcel of the present reply before the Hon'ble Ombudsman, as the same fully supports and substantiates the stand of



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HPSEBL. The Respondent craves leave to rely upon and reiterate all such submissions without repetition.

10. That the Applicant has not shown any illegality, perversity, procedural irregularity or violation of natural justice in the CGRF order which may warrant interference by the Hon'ble Ombudsman under Regulation 7 of the HPERC (Consumer Grievance Redressal Forum & Ombudsman) Regulations.
11. That the representation is merely a repetition of the same assertions already considered and rejected by the Hon'ble CGRF. It is settled law that a litigant cannot re-agitate issues already adjudicated merely because the findings are not favourable to him.
12. That the CGRF has correctly relied upon the official records of HPSEBL, including NCLT Order, Court Judgments, and statutory provisions. The Forum has rightly concluded that the actions of HPSEBL were strictly in compliance with the Electricity Act, 2003 and HPERC Regulations.
13. That the CGRF has acted within its jurisdiction, and the findings are neither arbitrary nor perverse. No ground exists for the Hon'ble Ombudsman to interfere with a well-reasoned order. That the Complainant has suppressed material facts and attempted to mislead the authority. A person approaching a quasi-judicial forum must come with clean hands, which the Complainant has clearly failed to do in the matter.

REPLY ON MERIT

1. That the contents of para no. 1 of the representation are subject to the matter of record. It is added that the Corporate debtor namely M/s. Metenere Limited was/is a large supply consumer of the answering respondent situated at village and post office Damtal, Dalhousie, H.P. An electricity connection was released by the answering respondent with SCO No.0005666 dated 06.10.2010 was sanctioned with a connected load of 4000 KW.
 - a). At present, the sanctioned connected load of corporate debtor company is 8208 KW with sanctioned contract demand of 5600 KVA.
 - b). That the corporate debtor company had some disputes with State Bank of India and other banks resulting in filing of petition (IB)-639(PB)/2018 titled as State Bank of India Vs. M/s. Metenere Ltd. before Hon'ble National Company Law Tribunal, Principal Bench, New Delhi.
 - c). Thereafter, the Hon'ble Tribunal appointed a Resolution Professional in the aforesaid matter. Since, the corporate debtor company was having an outstanding liability qua energy bill, therefore the answering respondent had submitted its claim of Rs.1,45,93,938/- before Resolution Professional appointed by this Hon'ble Tribunal and Ld. Resolution Professional had approved the claim of the answering respondent to the extent of Rs.1,23,55,283/-.
 - d). During the CIRP process, there was an outstanding liability of corporate debtor company to the tune of Rs.4,26,91,492/- (Including the amount of Rupees 1,23,55,283/- the amount approved by Ld. Resolution Professional, Rs.64,98,000/- of Resident Audit Office and Rs.13,61,700/- of Internal Audit) as on April, 2024.
2. The contents of Para No.2 of the representation are subject to the matter of record, it is submitted that the company engaged in manufacturing of non-ferrous products Viz Aluminum Flat Rolled Products through recycling route at Village Damtal under Electrical Sub-Division, HPSEBL, Damtal and running his factory through essential services of electricity against energy account no. ID 100012000178 under Large Supply category. The HPSEBL is commercial origination and have full right to recover his dues from the consumers under the provision of the Indian Electricity Act, 2003.



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3. That the contents of para no. 3 of the representation are matter of record, hence needs no reply.
4. That the contents of para no. 4 of the representation is matter of record, hence needs no reply.
5. That the contents of para no. 5 of the representation is matter of record, hence needs no reply.
6. That the contents of para no. 6 of the representation is matter of record, hence needs no reply.
7. That the contents of para no. 7 of the representation is matter of record, hence needs no reply.
8. That the contents of para no. 8 of the representation are admitted to extent that the Company of Creditor (CoC) has approved the Resolution Plan of the petitioner by a majority of 98.94% and is liable to clear /deposit the liability of energy dues amounting to Rs 2.10 Cr pending against the firm i.e. M/s Metenere Ltd. in the case.
9. That the contents of para no. 9 are admitted to the extent that the petitioner has proposed infusion of Rs. 300.00 Crores towards operational requirements, working capital requirements and/or capital expenditure requirements of the Corporate Debtor, and that the value of the Resolution Plan has been projected around Rs. 595.14 Crores. It is, however, submitted that Himachal Pradesh State Electricity Board Ltd. (HPSEBL), being a commercial organization entrusted with the responsibility of providing reliable electricity supply to domestic as well as industrial consumers in the State, is legally entitled to recover its legitimate dues. Further, in terms of Section 14(2) of the Insolvency and Bankruptcy Code, 2016, supply of electricity constitutes an "essential service", but the same does not absolve the Corporate Debtor from the obligation to clear its outstanding dues. Accordingly, the liability of M/s Metenere Ltd. towards HPSEBL remains payable and enforceable under the approved Resolution Plan.
10. That the contents of para no. 10 of the representation are matter of record, hence needs no reply.
11. That the contents of para no. 11 of the representation are admitted to the extent that the Resolution Professional filed an Interlocutory Application before the NCLT, New Delhi for approval of the Resolution Plan. The NCLT, New Delhi vide its order dated 04.10.2024 approved the Plan of the Complainant. In terms of Section 14(2) of the Insolvency and Bankruptcy Code, 2016, supply of electricity constitutes an "essential service", but the same does not absolve the Corporate Debtor from the obligation to clear its outstanding dues. Accordingly, the liability of M/s Metenere Ltd. Now Complainant firm Orrisa Metaliks Pvt Ltd towards HPSEBL remains payable and enforceable under the approved Resolution Plan.
12. That the contents of the para under reply, are matter of record.
13. That the contents of Para No. 13 of the representation are wrong and hence denied. It is specifically submitted that the complainant firm, Orissa Metaliks Pvt. Ltd., has not cleared its outstanding energy dues in full despite regular monthly bills being duly served upon it by HPSEBL. A liability of Rs. 2.02 Crores still stands outstanding against the firm towards energy charges, which remains recoverable in accordance with law.
14. That the contents of Para No. 14 of the representation are admitted to the extent that the petitioner, Orissa Metaliks Pvt. Ltd., has submitted a representation for change of name. However, it is specifically submitted that in terms of Sales Manual Instruction No. 20.8 of HPSEBL, every new consumer is mandatorily required to furnish fresh security deposit as per the provisions of the HPERC Security Regulations. In the present case, the complainant was required to deposit a sum of Rs. 1,56,85,212/- towards security, along with submission of requisite documents and completion of prescribed procedure under the applicable norms of HPSEBL. The same has not been complied with by the petitioner till date.



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The above requirement was duly communicated to the complainant by the respondents in the matter. Accordingly, since the codal formalities remain incomplete, the request of the complainant for change of name cannot be acted upon until all required formalities are fulfilled.

15. That the contents of para no. 15 of the representation is matter of record, hence needs no reply.
16. That the contents of para no. 16 of the representation is matter of record, hence needs no reply.
17. The contents of para no. 17 of the representation are incorrect and hence denied. It is pertinent to submit that the security deposit of Rs 99,46,600/- stands in the name of M/s Metenere Ltd., whereas outstanding dues of Rs 2,02,14,983/- are also recoverable from the said entity. In terms of Sales Manual Instruction No. 20.8 of HPSEBL, the security deposit of a previous consumer is refundable to that consumer only after due adjustment of all pending dues. Furthermore, as per the said instruction, every new consumer is mandatorily required to furnish fresh security deposit at the time of release of connection in its favour.

Accordingly, the request of the complainant for adjustment of the old security deposit of M/s Metenere Ltd. against its own liability is misconceived, untenable, and not permissible under the applicable regulations. Rest of the contents of this para is wrong, hence denied.

18. That the contents of para no. 18 of the representation are admitted to the extent of matter of record, rest of the contents of this para is wrong hence denied vehemently.
19. That the contents of para no. 19 of the representation are matter of record, hence needs no reply.
20. That the contents of para no. 20 of the representation are matter of record, hence needs no reply.
21. That the contents of para no. 21 of the representation are matter of record, hence needs no reply.
22. That the contents of para no. 22 of the representation are matter of record, hence needs no reply.
23. That in reply to Para No. 23 of the representation, it is respectfully submitted that the order passed by the Hon'ble CGRF in Complaint No. 3234/202508/25 is valid, lawful and genuine. The demand raised by the respondent HPSEBL is fully justified and strictly in accordance with the applicable rules and regulations. The Complainant, M/s Orissa Metaliks Pvt. Ltd., has submitted a representation for change of name of the existing connection. However, it is specifically reiterated that as per Sales Manual Instruction No. 20.8 of HPSEBL, every new consumer is mandatorily required to furnish a fresh security deposit as per the provisions laid down under the HPERC Security Regulations.

It is further submitted that the request for change of name does not exempt the petitioner from fulfilling statutory requirements, including the obligation to deposit security. Therefore, in the present case, the petitioner was required to deposit a security amount of Rs. 1,56,85,212/-, along with submission of requisite documents and completion of the prescribed procedural formalities under the norms of HPSEBL. The complainant has failed to meet these mandatory conditions and is, therefore, liable to comply with the lawful demand raised by the respondent. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

24. That in reply to this para of the representation, it is submitted that a letter dated 25.11.2025 has been issued by the AE, Damtal as per the final order passed by the Ld. CGRF to deposit the Security amount and complete all codal formalities which are required for change of name under the provision of HPSEBL, Sales Manual.

The contents of Para No. 25 are totally incorrect, misconceived and are hereby specifically denied. The allegations made therein are false, baseless and devoid of any substance. The complainant firm has deliberately avoided compliance with the lawful demand of security



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amount raised by the respondent HPSEBL, and has no intention whatsoever to deposit the said security. Instead of adhering to the mandatory provisions and fulfilling its legal obligations, the complainant has chosen to file the present representation with the sole objective of creating undue pressure and causing unnecessary harassment to the respondent authority. The complaint has been instituted in malafide and is a clear attempt to misuse the legal process, which deserves outright rejection.

A. Reply to the Grounds Against Para 40:-

That it is most humbly submitted that the finding of the Ld. Forum in Para 40 is correct, justified and based on settled legal and regulatory provisions. The Hon'ble Forum has rightly held that the Consumer/Complainant was required to apply afresh for change of name, execute a new agreement and comply with all codal formalities. As per Sales Manual Instruction 20.8, whenever ownership of a premises or undertaking is transferred, the transferee is treated as a new consumer, who must mandatorily execute a fresh agreement and furnish fresh security deposit in accordance with HPERC Security Deposit Regulations. The complainant is incorrect in asserting that continuity of supply under the Resolution Plan exempts it from fulfilling these statutory requirements. The IBC does not override mandatory operational regulations governing supply of essential services. Continuity of electricity supply under IBC does not entitle the complainant to enjoy uninterrupted supply without furnishing security and executing the requisite agreement, which is a basic condition applicable to every consumer of HPSEBL.

Therefore, the Hon'ble Forum has rightly rejected the complainant's claim and upheld lawful regulatory compliance. The allegation that the complainant is being compelled to "enjoy electricity indefinitely without responsibility" is false and frivolous, as the complainant has intentionally avoided depositing the lawful security amount. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

B. Reply to Grounds Against Para 48:-

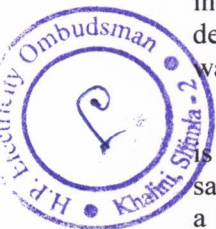
That it is most humbly submitted that the findings in Para 48 of the Impugned Order are legally sound and require no interference. The complainant's assertion that HPSEBL is bound by alleged limitations arising under the Resolution Plan is misconceived. The complainant has conveniently ignored that matters of security deposit calculation and recovery of shortfall are governed solely by HPERC Regulations, which remain binding irrespective of IBC proceedings.

The complainant is deliberately attempting to avoid the statutory requirement of furnishing security by citing IBC proceedings, which is impermissible, since security deposit is a future performance guarantee, not a recovery of past dues. The Hon'ble Forum was therefore correct in upholding the respondent's demand and rejecting the complainant's untenable contention. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

C. Reply to Grounds Against Para 55:-

That it is most humbly submitted that the contention of the complainant that the Hon'ble Forum erred in upholding extinguishment/adjustment of the Corporate Debtor's security deposit is incorrect, misleading and specifically denied. The Hon'ble Forum has rightly held that the security deposit furnished by the Corporate Debtor cannot automatically transfer to the complainant and was liable to be considered in accordance with the applicable regulatory framework.

That it is submitted that a security deposit under the HPERC Security Deposit Regulations is a continuous performance guarantee towards ensuring timely payment of electricity dues and safe consumption of power. It cannot be transferred or adjusted in favour of a third party acquiring a unit unless the applicable codal formalities are completed and a proper agreement is executed. The complainant has failed to point out any legal provision entitling it to automatic transfer or adjustment of such deposit or exempting it from furnishing fresh security.



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That the allegation that the extinguishment theory is “afterthought” is also baseless. The respondent has repeatedly clarified that security deposit is a consumer-specific obligation, and upon transfer or change of name, fresh security deposit is mandatorily required. Therefore, the Hon’ble Forum rightly rejected the complainant’s attempt to claim enrichment through transfer of the Corporate Debtor’s security deposit, which is impermissible and contrary to HPERC Regulations. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

D. Reply to Grounds Against Para 56:-

That it is most humbly submitted that the respondent HPSEBL firmly denies the allegations raised regarding Para 56. The Hon’ble Forum has correctly appreciated the regulatory and commercial considerations involved in securing continuous recovery for future supply. The requirement of fresh security deposit is based not on assumptions or apprehensions, but on explicit regulatory mandate under Regulation 4 and 6 of HPERC Security Deposit Regulations and Sales Manual Instruction 20.8, which apply uniformly to all categories of consumers.

That the complainant’s contention that HPSEBL cannot demand fresh security after continuation of supply during CIRP is legally misconceived and factually incorrect. Continuation of supply under Section 14(2) of the IBC only ensures protection from disconnection for non-payment of pre-CIRP dues, but it does not exempt the consumer from fulfilling operational requirements including fresh security deposit for post-resolution operation.

Further, the complainant’s argument that the Forum “punished” it is frivolous. The obligation to furnish security is a statutory requirement applicable to every consumer, not a punitive measure. The complainant is attempting to twist IBC provisions to avoid payment of security which is a future performance guarantee and not recovery of past dues. The Hon’ble Forum has therefore rightly upheld HPSEBL’s lawful demand and rejected the complainant’s baseless assertions. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

E. Reply to Grounds Against Para 61:-

That it is most humbly submitted that the contention that the Hon’ble Forum wrongly interpreted Regulation 4 of the HPERC Security Deposit Regulations is incorrect and vehemently denied. The Hon’ble Forum has rightly held that the security deposit furnished by the erstwhile Corporate Debtor cannot be claimed, transferred or adjusted by the complainant, who is a distinct legal entity and who has not executed any agreement or furnished required security under the prescribed regulatory mechanism.

That it is further submitted that the Regulation 4 mandates computation of security deposit for each consumer independently based on the average of monthly consumption, and does not permit automatic transfer or set-off of security belonging to a previous consumer. The Forum’s conclusion that the complainant was seeking undue advantage by claiming adjustment of the earlier deposit is correct and justified. The complainant’s contention that seeking adjustment was legitimate is misleading and intended to avoid compliance with mandatory regulations.

The allegation of “unjust enrichment” against HPSEBL is baseless, as security deposit is not revenue nor recoverable dues, but a continuously applicable performance guarantee governed by regulatory provisions, which must be freshly assessed at the time of change of consumer. No provision under HPERC Regulations authorises the complainant to avoid furnishing fresh security. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

F. Reply to Grounds Against Para 62:-

That it is most humbly submitted that the respondent specifically denies the allegation that the Hon’ble Forum erroneously accepted the stand of HPSEBL regarding extinguishment of deposit. The Hon’ble Forum has correctly appreciated that, upon transfer of ownership and fresh demand of supply under a new consumer framework, the security deposit of the old consumer



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cannot remain indefinitely and is subject to regulatory treatment in accordance with approved procedures.

The complainant has incorrectly suggested that extinguishment must follow detailed accounting trails, whereas the fact remains that security deposit is consumer-specific and non-transferable unless expressly authorised after execution of a new agreement and verification of liability status. The Hon'ble Forum has therefore rightly upheld HPSEBL's demand and rejected the complainant's attempt to claim the benefit of deposit belonging to another legal entity.

The complainant's argument invoking IBC and Section 31 is misplaced and irrelevant. IBC does not override operational regulations governing electricity supply, nor does it grant immunity from fulfilling prospective obligations regarding security. Security deposit relates to future performance and not past dues recovery, and therefore falls outside the adjudication framework of CIRP. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

G. Reply to Grounds Against Para 65:-

That it is most humbly submitted that the allegations regarding circular reasoning are incorrect, misconceived and specifically denied. The Hon'ble Forum has correctly concluded that the complainant has failed to establish any right to claim or adjust the security deposit of the Corporate Debtor, and therefore no transfer of deposit could arise.

The complainant's claim that HPSEBL did not disclose lawful adjustment is irrelevant, as no right of the complainant exists over the previous security deposit, and therefore the question of unilateral adjustment does not arise. The Forum has correctly held that unpaid dues of the previous consumer cannot automatically transfer nor can corresponding security be claimed by the present complainant. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

H. Reply to Grounds Against Para 67:-

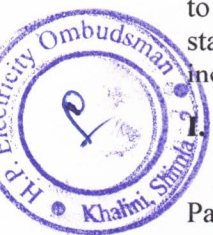
That it is most humbly submitted that the allegation that the Hon'ble Forum has wrongly rejected the transfer of security deposit is false and baseless. The Hon'ble Forum has correctly appreciated that the security deposit furnished by the erstwhile Corporate Debtor cannot be transferred or adjusted to the benefit of the complainant, who is an independent legal entity and has neither executed a fresh agreement nor complied with regulatory requirements for continuation of supply under a new consumer framework.

The complainant's assertion that transfer of security deposit is a "routine consequence" is misleading and contrary to the HPERC Security Deposit Regulations and Sales Manual Instruction No. 20.8, which mandate that fresh security must be furnished whenever a new consumer takes over the premises, irrespective of continuity of meter, contract demand or physical assets. The claim that the Forum ignored Regulation 4 is incorrect—Regulation 4 requires security to be calculated on the basis of individual consumer consumption and cannot be automatically transferred across entities.

The Hon'ble Forum has correctly held that allowing the complainant to utilise the Corporate Debtor's deposit would result in unjust enrichment, which is impermissible and contrary to public interest. The complainant has failed to demonstrate any regulatory, contractual or statutory basis entitling it to such transfer. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

I. Reply to Grounds Against Para 68:-

That it is most humbly submitted that the respondent specifically denies the allegation that Para 68 is based on erroneous premises. The Hon'ble Forum has rightly directed the complainant to deposit the required security afresh, in compliance with Regulation 4 of the HPERC Regulations. Regulation 4 clearly requires independent calculation of security for each consumer



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based on average billing components, and does not authorise adjustment or set-off of the security deposit of a previous consumer.

That the contention that existing security "covers the requirement" is incorrect, because the complainant has not furnished any computation or record demonstrating compliance with Regulation 4, nor has it executed the necessary agreement or completed the prescribed codal formalities. The Forum was therefore justified in rejecting the complainant's attempt to evade compliance by using regulatory provisions selectively.

The allegation that the Impugned Order mechanically applied regulations is unfounded. The Forum has examined the matter in detail and issued directions strictly in accordance with statutory provisions. The complainant is attempting to misinterpret Regulation 4 to avoid its obligation to deposit fresh security, which is a future performance guarantee, not recovery of old dues. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

J. Reply to Allegations on Violation of Regulation 4(3):-

That it is most humbly submitted that the claim that the impugned demand is contrary to Regulation 4(3) is incorrect and expressly denied. Regulation 4(3) requires computation of security deposit based on the average of consumption of the consumer and does not mandate adjustment or transfer of security belonging to another legal entity. The complainant has failed to demonstrate any enforceable right over the security deposit deposited by the Corporate Debtor, which is consumer-specific and non-transferable under both HPERC Regulations and HPSEBL's Sales Manual Instruction No. 20.8.

The complainant's assertion that Rs. 2,99,46,600/- should be considered for adjustment is wholly misplaced because the complainant did not have any legal entitlement to the deposit belonging to the previous consumer and therefore no adjustment or computation under Regulation 4(3) arises. The Forum was therefore correct in not accepting this baseless plea.

The complainant's objection alleging non-adjudication is misconceived, because the Forum rightly concluded that the complainant cannot seek benefit of a deposit to which it has no legal entitlement. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

K. Reply to Allegations on Violation of Regulation 6(2)(b):-

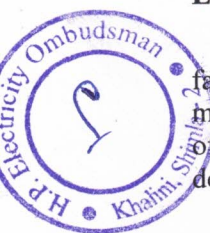
That it is most humbly submitted that the allegation that the HPSEBL failed to issue notice or supporting calculations is incorrect, misconceived and denied. The demand for security deposit was raised strictly in accordance with regulatory procedures after due evaluation of consumption pattern and considering the mandatory requirement of furnishing security for continuation of supply. The Forum has rightly upheld the legality of the demand raised by HPSEBL.

The complainant's attempt to claim procedural irregularity is merely an attempt to create technical objections in order to avoid compliance with statutory obligations and does not affect the validity or enforceability of the demand, particularly when the complainant has not complied with the basic requirement to execute a fresh agreement and deposit security. Rest of the contents of this para is wrong, false, incorrect, hence denied in toto.

L. Reply to Allegations on Proviso to Regulation 6: -

That it is most humbly submitted that the claim that HPSEBL illegally denied instalment facility is baseless and specifically denied. Since the complainant did not accept the demand or make any application for payment through instalments and instead directly contested the legality of the demand, the question of extending instalment benefit did not arise at all. A consumer who denies the liability itself cannot simultaneously invoke instalment facility.

Therefore, the Forum rightly did not adjudicate this issue as it was irrelevant to the factual and legal dispute.





26. Reply to Reliance on IBC & Supreme Court Judgments Para No. 26 & 27:-

That it is most humbly submitted that the complainant's attempt to invoke IBC and Supreme Court judgments is wholly misplaced and irrelevant. The requirement to deposit fresh security is a future operational obligation, not a recovery of past dues. The IBC regime does not exempt consumers from fulfilling prospective conditions for the supply of electricity, nor does it override the HPERC Security Deposit Regulations governing calculation and deposit of performance security.

That it is further submitted that the Hon'ble Forum has correctly recognised that the dispute pertained to post-resolution regulatory obligations and not pre-CIRP recovery, and therefore, IBC provisions have no application.

Further, the complainant's reliance on cited Supreme Court judgments is therefore inappropriate and cannot override mandatory regulatory compliance. The complaint firm, wherein the petitioner has sought various reliefs "on the following amongst other grounds, each of which is in the alternative and without prejudice to the other," are wrong, misconceived, and hence denied. It is respectfully submitted that the petitioner is not entitled to any of the reliefs prayed for, inasmuch as the claims of the petitioner are contrary to the provisions of the Electricity Act, 2003, the HPERC Regulations, and the Sales Manual Instructions of HPSEBL. The outstanding liability of Rs 2,02,14,983/- against M/s Metenere Ltd. is now lawfully recoverable from the complainant firm Orissa Metaliks Pvt. Ltd, being a new consumer, is mandatorily required to comply with all codal formalities, including furnishing of fresh security deposit. Hence, the reliefs prayed for by the petitioner are devoid of merit and liable to be rejected.

27. That the contents of para no. 28 of the representation is wrong, false, incorrect, hence denied vehemently.

In view of the above submissions, it is most respectfully prayed that this Hon'ble Ombudsman may kindly:

- i. Dismiss the representation filed by the Complainant as devoid of merit;
- ii. Affirm and uphold the Order passed by the Hon'ble CGRF;
- iii. Examine the reply and documents already submitted by HPSEBL before the CGRF as an integral part of the present reply; and
- iv. Pass any other order deemed fit in the interest of justice.

10. Case called, the matter was heard for confirmation of Admission and final arguments on 07/03/2026. The Id. Counsel for Respondents at the very outset prayed for dropping the name of Executive Director (Pers.), being a non-necessary party instead implicating the name of **Sr. Executive Engineer, Electrical Division, HPSEBL, Indora, Distt. Kangra (HP)** being associated with the case. After discussing the matter with the counsel for Complainant, prayer granted. While arguing the matter, the following contentions were observed which were asserted by both the parties at their respective ends:



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- a. That the Id. Counsel for Complainant could not even submit proof of deposit of 50% of the disputed amount with the Respondents as directed by this court's order dt. 12/12/2025 and subsequent order dt. 07.01.2026 and further, preliminary arguments conducted on this aspect during hearing on dt. 07.03.2026, even could not convince this court on the mandatory requirements of **Limitation / pre-condition for entertaining the complaint in terms of regulation 33 (1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013.**
- b. That the Id. Counsel for Complainant also could not convince and update this court regarding status of withdrawal of case which was reported to be pending adjudication before the Hon'ble High Court as informed in earlier hearings conducted in this court. It has been observed that the Complainant till date by not giving compliance to the directions of this court issued vide order dt. 12.12.2025 & 07.01.2025, respectively on **Limitation / pre-condition**, even surpassed the time limitation as prescribed in terms of **Regulation-37(2).**
- c. That however, on vigorous prayer made by the Id. Counsel for Complainant to give assurance on compliance on the above stated mandatory provisions regarding 50% deposit as well as withdrawal status of case if any pending adjudication before the Hon'ble High Court, the prayer granted as a **last opportunity** in the public interest with further directions i.e. **failure to furnish the above prerequisites, the matter shall be disposed as dismissed with liberty to the Complainant to file afresh after furnishing the same as the sufficient time in terms of Regulation- 37(2) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 stands granted to the Complainant.**
- d. That owing to above inability of the Complainant to furnish the same till date, **the admission continued to be kept on hold till next date of hearing, as a last opportunity.** However, the directions to restrain the Respondent Board from disconnecting the electricity supply to the premises of the Complainant **were kept sustained till confirmation of Admissions, in the public interest** and further course of directions in this regard to be imparted thereafter.
- e. That the Complainant was directed to furnish all above pre-requisites before next date of hearing to facilitate confirmation of Admission which was kept on hold and thereafter final arguments in the matter on the same day to curb further delay. Accordingly, the matter was listed for Admission/final arguments on dated **18.03.2026 at 12:00 PM** or immediately thereafter with further directions to the complainant to submit Rejoinder if any.



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11. Case called, the matter was heard on 18.03.2026 and the following issues were discussed in hierarchy:

- a. That at the very outset, the matter was discussed regarding present status of deposit of 50% of the disputed amount with the Respondents in terms of **Regulation 33(1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 on Limitation/pre-condition for entertaining the complaint**, as directed by this Court's order dt. 12/12/2025 and subsequent orders dt.07.01.2026, 07.03.2026 respectively.
- b. That the Id. Counsel for Complainant submitted a Supplementary Affidavit which was taken on record and apprised the Court that the bill issued for the month of January, 2026 by HPSEBL has reflected an adjustment of Rs.99,46,600/- from the existing security, thereby substantially reducing the security deposit position reflected in the consumer ledger.
- c. That after listening to the above averments of Id. Counsel for Complainant as per above Supplementary Affidavit, which were quite alarming, this authority could observe the sternness of the contentions and in terms of Regulation 34 on '**Promotion of Settlement by Conciliation**', gave an opportunity to both the parties to have an open discussion on this adjustment in the Court Room. After having long discussions of half an hour, both Assistant Engineer appeared as Respondents and Id. Counsel for Respondents, prayed for allowing scrutiny of the record/ ledger at Division/Sub-Divisional Level so as to have final view of the said adjustments as submitted by the Id. Counsel for Complainant through Supplementary Affidavit.
- d. Considering above prayer as genuine, granted in the interest of justice, with further directions to examine the issue at **Divisional Level in the presence of one Representative from Complainant side. The Respondent Board was further directed to submit the reply on Supplementary Affidavit on or before 25.03.2026 to facilitate this Court to have judicious views on the contentions on abrupt adjustments made by the Respondents.**
- e. That the Id. Counsel for Complainant further apprised regarding the pendency status of case before Hon'ble High Court on the coercive action and ensured this Court regarding withdrawal of same before next date of hearing. He further prayed for necessary directions to restrain the Respondent Board from disconnecting the electricity supply to the premises of the Complainant. Prayer granted **till Admissions which was still kept on hold in the public interest and further course of directions in this regard to be imparted thereafter.**
- f. That in view of above pendency both Respondents and the Complainant were directed to furnish all above pre-requisites before next date of hearing to



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facilitate confirmation of Admission and thereafter final arguments in the matter on the same day to curb further delay.

12. In sequel to above discussion, the Sr. Executive Engineer was directed to comply with the above directions after examining the said adjustments from record and submit the factual status through an **Attested Affidavit**, during the next date of hearing with further directions to appear in the Court with concerned Assistant Engineer along with relevant record to avoid any misconception during the course of deliberations /arguments and to facilitate counsel thereof as high stake was involved. Any lapse might attract onus on individual. Accordingly, in view of above the matter was listed for Admission/final arguments on dated 04.04.2026 at 12:00 PM or immediately thereafter with further directions to the complainant to submit Rejoinder if any thereof subject to above. However, due to unavoidable circumstances, the date of confirmation of Admission/final arguments in the said matter was further adjourned to 09.04.2026 at 12:00PM or immediately thereafter and was conveyed through Corrigendum dt.20.03.2026.

13. Case called, the matter was heard on 09.04.2026 and the following issues were again discussed:

- a. That at the very outset, the matter was discussed regarding present status of deposit of 50% of the disputed amount with the Respondents in terms of **Regulation 33(1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 on Limitation/pre-condition for entertaining the complaint**, as directed by this Court's order dt. 12/12/2025 and subsequent orders dated 07.01.2026, 07.03.2026, 18.03.2026 respectively and it was observed that the same was still lying pending at Complainant's end and further the averments made by the Id. Counsel for Complainant



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could not convenience the Court and this Court emphasized in clear terms that in case the same pre-mandatory conditions, were not met, the matter shall be disposed as dismissed with directions that this may be considered as last opportunity as the Complainant had already surpassed the time limitation to comply with such mandates.

- b. That the Id. Counsel for Complainant agreed on above directives and prayed that necessary directions be imparted to the Respondent Board not to adjust the said amount against any outstanding dues till pending adjudication before this authority. Prayer granted and the Respondents were directed not to adjust the amount against any outstanding till pending adjudication.
- c. That in compliance to this Court's Order dated 18.03.2026, the Respondents examined the issue at Divisional Level in the presence of one Representative from Complainant side and also submitted reply to the Supplementary Affidavit on 09.04.2026 in the Court Room which was taken on record and also mentioned in the said Affidavit about the adjustment of existing security amount of Rs.99,46,600/- against the outstanding dues of the said firm. The Id. Counsel for the Complainant submitted Minutes of Meeting held with the Members of M/s Orissa Metaliks Pvt. Ltd. at the premises of Assistant Engineer, Elect. Sub Division, HPSEBL, Damtal on dated 07.04.2026 which was also taken on record.
- d. That the admission still continued on hold due to non-completion of pre-requisites as per provision, however, in the public interest directions to restrain the Respondent Board from disconnecting the electricity supply to the premises of the Complainant kept sustained.
- e. That the Sr. Executive Engineer was directed to appear in the Court along with concerned Assistant Engineer with relevant record to avoid any misconception during the course of deliberations /arguments and to facilitate counsel thereof as high stake was involved, with direction to avert onus on individual on account of any lapse and also the Reply submitted by the Respondents on dt. 19.12.2025 was kept on record till date, until above mandatory requirements were furnished. The matter was further listed for Admission/final arguments on dated 28.04.2026 at 12:00 PM or immediately thereafter with further directions to the complainant to submit Rejoinder if any thereof subject to above.

14. Id. Counsel for Complainant vide e-mail message dt. 18.04.2026 sought adjournment until 2nd week of May, 2026 owing to upcoming 'elections' in 'West Bengal' with the voting scheduled on 29.04.2026. Due to these unavoidable circumstances, the date of hearing in the said matter which was earlier listed on 28.04.2026 for Admission/Final



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Arguments was further adjourned to 08.05.2026 through Corrigendum dt.20.04.2026.

15. Case called, the matter was heard on 08.05.2026. Before conducting final arguments, the mandatory requirements in terms of **Regulation 33(1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 on Limitation/pre-condition for entertaining the complaint**, were assessed in the court room in following manners to facilitate further proceedings.

- a. At the very outset, the Id. Counsel for Complainant confirmed in the court room 50% deposit of the disputed amount with the Respondents and also submitted through Rejoinder (ref. para-A 2 of the Rejoinder) which was further confirmed by the Officers appeared as Respondent in the Court.
- b. The Id. Counsel for Complainant also confirmed regarding the withdrawal of CMP No. 7245/2026 in CWP No. 19289/2025 passed vide order dt. 09.04.2026 which was lying pending before Hon'ble High Court concerning the coercive action of Respondents (ref. Para-A (1) of the Rejoinder).
- c. After listening to the Id. Counsel for Complainant on confirmation of above mandatory requirements in terms of **relevant provisions**, the admission which was kept on hold due to want of such prerequisites, was allowed to the extent of initiation of proceedings/final arguments thereof.
- d. The Id. Counsel for Complainant before further pursuance, mentioned regarding the application filed before this court for Expunction/Modification of order dated 09.04.2026 wherein it was asserted by the Complainant which reads as *"that this Hon'ble Authority, while passing the Order dated 09.04.2026, has been pleased to record, inter alia, that an amount of Rs.99,46,600/- has been adjusted against the alleged outstanding dues of the Complainant. The said recording, in effect, reflects the stand of the Respondents on a disputed issue which is yet to be examined and determined on merits"*.
- e. After listening, the order dated 09.04.2026 was reiterated in the Court and was made to have glance on the last part of the first para of the said order, the relevant part reads as *"Prayer granted and the Respondents were directed not to adjust the amount against any outstanding till pending adjudication"*.



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- f. Thereafter, the Sr. Executive Engineer appeared as Respondent was asked to clarify the status of restoration of the said amount which was reported during the hearing held on 09.04.2026 by the Assistant Executive Engineer, stood adjusted against the pre-CRIP outstanding amount. **The Sr. Executive Engineer apprised the Court that the amount of Rs.99,46,600/- which got erroneously adjusted against pre-CRIP outstanding amount, now the restoration process of the same amount to its original position has been initiated and the IT Cell of HPSEBL is under process of making necessary corrections.** He further submitted to this Court the updated status duly signed which was taken on record and for the convenience of record, the same is reiterated as under:

"The Security amount of Rs 99,46,600/- was adjusted against Pre-CIRP outstanding amount and now the matter has been forwarded to the IT Cell for restoration of the above amount".

Sd/-
 Sr. XEN
 Ed HPSEBL Indora

Sd/-
 SDO, Damtal

- g. The Id. Counsel for Complainant showed his satisfaction after this action taken up by the Respondent towards restoration of the said amount to its original position and accordingly, the Application dt.22.04.2026 was disposed of first before conducting final Arguments.
16. The Id. Counsel for Complainant also submitted Rejoinder on dated 08.05.2026 in the Court Room to the reply earlier submitted by the Respondent which had been kept on record since 19.12.2025 due to want of above mandatory requirements. Subsequently, the Rejoinder was also taken on record for perusal. The same also needs to be recapped for reference and record as under:

The Complainant's Additional Submissions (Rejoinder)

REJOINDER ON BEHALF OF THE COMPLAINANT TO THE REPLY OF THE RESPONDENTS, ALONG WITH INTIMATION OF COMPLIANCE WITH PRE-CONDITIONS FOR ADMISSION

MOST RESPECTFULLY SHOWETH:

A. COMPLIANCE WITH PRE-CONDITIONS FOR ADMISSION OF THE COMPLAINT



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Before advertng to the merits of the Respondents' Reply, the Complainant respectfully submits that the two mandatory prerequisites for the admission of the present representation under Regulation 33(1)(g) of the HPERC Regulations, 2013, have been strictly complied with:

1. Withdrawal of the High Court Petition:

The Complainant had approached the Hon'ble High Court of Himachal Pradesh (CWP No. 19289/2025) concerning the coercive actions of the Respondents. The Complainant has since completely withdrawn the said writ petition. Vide Order dated 09.04.2026 passed by the Hon'ble High Court in CMP No. 7245/2026 in CWP No. 19289/2025, the petition stands disposed of as withdrawn. Consequently, there is no parallel proceeding pending before any court.

Copy of the Order dated 09.04.2026 passed by the Hon'ble Shimla High Court is annexed hereto and marked as **Annexure A**.

2. Deposit of 50% of the Disputed Amount:

In accordance with the direction to deposit 50% of the disputed amount as a prerequisite for admission, the Complainant has fulfilled its financial obligation. The total required 50% deposit was calculated at Rs. 78,42,606/-. The Complainant had already deposited an amount of Rs. 52,28,404/- (representing one-third of the disputed amount) earlier. The remaining balance amount of Rs. 26,14,202/- has now been deposited via UTR Number SBIN126119122796 on 29.04.2026. The Respondents have been formally intimated to take this payment on record.

Copy of the letter dated 30.04.2026 issued by the Complainant addressed to Respondent No.2 stating details of the payment of Security Deposit is attached hereto and marked as **Annexure B**

As both conditions stand fulfilled, it is prayed that the "hold" on admission be lifted and the present complaint be formally admitted for final adjudication.

REQUEST FOR PRIOR CONSIDERATION OF APPLICATION (22.04.2026)

That the Applicant respectfully submits that the application dated 22.04.2026, filed/submitted vide email dated 22.04.2026, seeking expunction/modification of the observations in the order dated 09.04.2026, may kindly be considered first, prior to proceeding with the arguments, as the same may otherwise cause great prejudice to the Complainant and defeat the very purpose of adjudication.

Copy of the application dated 22.04.2026, filed/submitted vide email dated 22.04.2026, seeking expunction/modification of the observations in the order dated 09.04.2026, is attached hereto and marked as **Annexure C**.

B. PRELIMINARY SUBMISSIONS & REITERATION OF THE SUPPLEMENTARY AFFIDAVIT

The Complainant categorically denies all averments and justifications raised by the Respondents (HPSEBL) in their Reply, as they are contrary to the settled position of law. The Complainant reiterates the facts placed on record via its Supplementary Affidavit:

- 1. Vestment of Rights by Operation of Law (No "New Entity" Formed):** The Respondents' foundational error lies in treating the Complainant as a "new consumer" to demand a fresh Additional Consumption Deposit (ACD) of Rs. 1,56,85,212/- and to justify the illegal



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HIMACHAL PRADESH ELECTRICITY OMBUDSMAN
SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002
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adjustment of the existing security deposit. Pursuant to the Hon'ble NCLT Order dated 04.10.2024, M/s Metenere Ltd. stands successfully amalgamated with the Complainant (OMPL).

2. The Complainant places direct reliance upon the binding judgment of the **Hon'ble High Court of Himachal Pradesh in M/s Indorama India Pvt. Ltd & Another vs State of HP & Others (CWP No. 3331 of 2021, decided on July 31, 2023)**. The Hon'ble High Court has conclusively settled that when properties, undertakings, and rights are transferred pursuant to a Scheme sanctioned by the NCLT under the Companies Act, such vestment occurs strictly "by operation of law". The Hon'ble Court held that the transfer of property from one company to another by operation of law "does not require execution of any deed, conveyance or instrument". Applying this binding precedent, no new entity is formed for the purposes of the electricity supply; OMPL simply stepped into the shoes of the Corporate Debtor. The subsisting electricity connection and the existing security deposit of Rs. 99,46,600/- automatically vested in OMPL without interruption. Therefore, the invocation of HPSEBL Sales Manual Instruction No. 20 (which applies only to *fresh* connections for *new* consumers) is entirely misplaced, illegal, and arbitrary. Copy of the Order passed by the Hon'ble Shimla High Court is annexed hereto and marked as **Annexure D**.
3. The Complainant places direct reliance upon the binding judgment of the Hon'ble Supreme Court in Maharashtra State Electricity Distribution Company Limited vs Twenty-one Sugars Limited (Civil Appeal No. 1238/2025), affirming the judgment of the Hon'ble NCLAT in Twentyone Sugars Limited vs Maharashtra State Electricity Distribution Company Limited (Company Appeal (AT) (Ins) No. 487/2023). The Hon'ble NCLAT has categorically held that where a Successful Resolution Applicant is compelled to make payment of pre-CIRP electricity dues for restoration of supply, such payment is deemed to have been made under compulsion and is liable to be refunded, as all pre-CIRP dues stand extinguished upon approval of the Resolution Plan under Section 31 of the IBC. It was further held that a distribution licensee cannot insist upon payment of such extinguished dues as a pre-condition for restoration of electricity, nor can it benefit from its own failure to lodge claims during CIRP. The Hon'ble Supreme Court has affirmed the said position, holding that no error, much less an error of law, was committed by the NCLAT. Accordingly, any amount recovered towards pre-CIRP dues, whether under protest or compulsion, is liable to be refunded, and any insistence or adjustment thereof is contrary to the settled position of law and the scheme of the IBC. Copies of the judgments passed by the Hon'ble Supreme Court and the Hon'ble NCLAT are annexed hereto and collectively marked as **Annexure E**.
4. The Complainant also places direct reliance upon the binding judgment of the Hon'ble Supreme Court in Central Transmission Utility of India Ltd. v. Sumit Binani (Civil Appeal Nos. 2216-2217 of 2025), wherein it has been categorically held that once the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 comes into effect, any amount, security deposit, cash, or funds lying with a creditor, which otherwise remains the property of the Corporate Debtor, cannot be unilaterally appropriated, adjusted, or set off against pre-CIRP dues. The Hon'ble Supreme Court further clarified that such funds continue to remain the property of the Corporate Debtor and cannot be diverted except in accordance with the scheme of the IBC. The very foundation of the said judgment is that once set-off is prohibited during the subsistence of the moratorium, the same cannot subsequently be permitted, directly or indirectly, after conclusion of CIRP or approval of the Resolution Plan in relation to assets and receivables of the Corporate Debtor/Successful Resolution Applicant.
Copy of the judgment passed by the Hon'ble Supreme Court is annexed hereto marked as **Annexure F**.
5. **Arbitrary Set-Off of the Security Deposit & Extinguishment of Pre-CIRP Liabilities:** Despite acknowledging the subsisting security deposit of Rs. 99,46,600/- for several months post-takeover, the Respondents unilaterally and illegally deducted it in the January 2026 electricity bill against alleged pre-CIRP dues of Rs.2,16,10,789/-. This deduction was made without prior notice or opportunity for a hearing. Under Section 31 of the Insolvency and Bankruptcy Code (IBC), all claims and liabilities pertaining to the period prior to the NCLT



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Order Date stand irrevocably waived and permanently extinguished. The Respondents cannot act outside the IBC framework to selectively appropriate a vested consumer asset to satisfy a dead, extinguished claim.

- 6. Double Recovery and Excess CIRP Cost Payments:** The Respondents' continued reflection of "Disputed Arrears" ignores the fact that they have already received amounts far exceeding the legally payable dues for the CIRP period. The Respondents received **Rs.1,26,70,699/-** remitted by the Resolution Professional as CIRP costs, and an additional **Rs.83,30,238/-** paid directly by OMPL under protest in February 2025 to avoid an imminent threat of disconnection. Furthermore, an amount of Rs. 1,00,00,000/- belonging to OMPL was also utilized towards these CIRP costs. This clearly amounts to extra and illegal recovery.

C. PARAWISE REJOINDER TO THE RESPONDENTS' REPLY

Reply to Preliminary Submissions (Paras 1 to 7):

1. The contents of Paragraphs 1 to 7 are wrong, misconceived, and vehemently denied. It is denied that the Supplementary Affidavit filed by the Complainant is an abuse of process. The Supplementary Affidavit was strictly necessitated by the Respondents' illegal, unilateral action of adjusting the Complainant's existing security deposit of Rs. 99,46,600/- in the January 2026 bill, while the matter was already sub-judice.
2. The Respondents' reliance on Clause 3.8.1 (C) of the Supply Code, 2009, to adjust the security deposit against alleged outstanding dues of Rs. 2.10 crores is denied as illegal and arbitrary. As established by the Hon'ble High Court in the *Indorama* judgment, the transfer of the undertaking to OMPL is by operation of law. The existing security deposit of Rs.99,46,600/- vested in OMPL free from all past encumbrances. By appropriating this vested asset against pre-CIRP dues that were permanently extinguished under the approved NCLT Resolution Plan, the Respondents are directly violating the statutory "**clean slate**" principle of the IBC.
3. The Respondents' attempt to justify the demand for a fresh security deposit of Rs. 1,56,85,212/- under HPSEBL Sales Manual Instruction No. 20.8 is vehemently denied. Instruction No. 20 applies exclusively to the release of *fresh* connections. OMPL is an existing, continuing consumer. A mere procedural request for a change of name in the billing records does not transform OMPL into a "new applicant" triggering a fresh Additional Consumption Deposit (ACD). The demand violates Regulation 4 and 6(2) of the HPERC (Security Deposit) Regulations, 2005, which mandate revision based only on average billing, not on a change of ownership name.
4. The Respondents' claim that the IBC does not bar a utility from maintaining a security deposit to adjust past dues is a gross misrepresentation. The Respondents admit they filed a claim of Rs.2.10 crores before the NCLT, out of which Rs.1.63 crores were admitted. Having participated in the resolution process, the Respondents are bound by the resolution waterfall mechanism. They cannot bypass the binding NCLT order to hijack the security deposit post-approval.
5. The averments that electricity is an "essential service" under Section 14(2) of the IBC, thereby obligating OMPL to clear outstanding pre-CIRP dues, are denied. While essential services must be maintained *during* CIRP to keep the debtor a going concern, Section 14(2) does not grant utilities a backdoor entry to recover permanently extinguished pre-CIRP dues after the Resolution Plan has been approved and implemented.

PRAYER

In view of the fact that the Complainant has successfully fulfilled both pre-conditions for admission, and relying on the binding High Court precedent that the amalgamation

Prayer





is by operation of law, it is most respectfully prayed that this Hon'ble Authority may be pleased to:

- a) Formally admit the present representation/complaint/appeal.
- b) Reject and dismiss the Reply filed by the Respondents.
- c) Direct the Respondents to immediately restore the illegally adjusted security deposit of Rs.99,46,600/-.
- d) Direct the permanent deletion of all references to extinguished pre-CIRP arrears from the Complainant's electricity bills.
- e) Direct the adjustment of the excess payment of **Rs.1,26,70,699/-** (paid via CIRP cost disbursements) against future running bills.

17. After first, confirming the pre-requisite mandatory requirements in terms of Regulation **33(1)(c) & 33(1)(g)** and disposing of (**Para-15(g)**) '**Application dt.22.04.2026**' filed & placed on record by the Id. Counsel for Complainant on '**Expunction/Modification**' of observations in the order dt. 09.04.2026, the final arguments were conducted on 08.05.2026 thereafter with the mutual Conesus of both the parties. **The delayed in Compliance to Limitation/pre-condition for entertaining the complaint in terms of Regulation 33(1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 on the part of Complainant attributed to exorbitant delay for more than four months and even surpassed the prescribed schedule as per prevalent Regulations.**

18. **The Final Arguments of both during proceedings:**

The final arguments were conducted on 08.05.2026 and both the parties were given due opportunity to argue their contentions to the brim. The Arguments conducted on different occasions on dt.22.12.25,





07.01.26,07.03.26,18.03.26,09.04.26respectively(ref.para6,7,10,11,13, 15) may be also considered as part and parcel of the below mentioned final Arguments:

- a. At the very outset, the Id. Counsel for Complainant in continuation to earlier Arguments conducted during intercession period, read very specific contentions out of the contentions as stood reiterated above under **para-4** and apprised the court on various issues arising out of contentions.
- b. The very first issue came up for Arguments was on the term **pre-CIRP (pre-Corporate Insolvency Resolution Proceedings)**. The Id. Counsel for Complainant sturdily placed before the court that all pre-CIRP dues stand extinguished upon approval of the Resolution Plan under **Section 31 of the IBC (Insolvency and Bankruptcy Code 2016)** and showed grievances while arguing that the Respondents at their ends are still adjusting the pre-CIRP dues in violation to the provisions of IBC.
- c. The Id. Counsel for Respondents added to the Arguments that against the pre-CIRP claim of Rs.2,10,91,938.00/-, the claim of only of Rs.1,63,34,283.00/-was admitted and the Respondents could hardly get an amount of **Rs.1187/-** which was conveyed through e-mail dt.17.03.2026 by Mr. Kunal Anand (Resolution Professional).
- d. The Id. Counsel for Complainant convinced this court on above accounts by arguing that in terms of IBC provisions exercised during the 'Resolution Process', the Respondents are bound by the '**Waterfall Mechanism**' on legitimate grounds which after listening was also agreed by the Id. Counsel for Respondent and no further comments were offered on this waterfall mechanism.
- e. The officers appeared as Respondents in the court placed further convincing Arguments before the court and asserted that they have already imparted instructions to IT Cell of HPSEBL for reverting and restoring the present status of the existing security of Rs.99,46,600/- of Corporate Debtor against which the pre-CIRP dues erroneously got adjusted and the Sr. Executive Engineer appeared as Respondents appended written statement(**ref.para-15(f)**) in the court room duly signed which was taken on record and subsequently, the Respondents were directed not to adjust any pre-CRIP dues against any amount till some specific instructions are given by the competent authority. The Id. Counsel for Complainant also read out and emphasised that the Section-31of IBC provisions impose bindings on corporate debtor and its employees, members and creditors for such kind of adjustments.
- f. The next issue came up for discussion was realization of bills raised during CIRP period from **October,2020 to October, 2024**. The Id. Counsel for Complainant asserted during arguments that the whole payment stands

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disbursed of the said CIRP period by the RPs. However, the Id. Counsel for Respondents and Officers appeared as Respondents showed dissatisfaction on this account as according to them, the record reveals that some payment still stands due towards CIRP cost.

- g. After listening these arguments, this Authority on differences of contentions observed that the issue entails some misunderstanding and directed all concerned to make reconciliation at Divisional-Level in the presence of one representative from Complainant side. Both the parties agreed.
 - h. The Id. Counsel for Complainant further placed arguments on transfer of Existing Security against demand of fresh security of Rs.1,56,85,212/- raised by the Respondent Board towards 'Change of Name', being taken over plant as ongoing assets not as a New Consumer and cited relevant provisions of IBC and read out the judgements of various courts to corroborate the contentions.
 - i. The Id. Counsel for Respondent and Officers appeared as Respondents tried to convince the court by placing provisions being governed under Electricity Act,2003, Company Act,2013, HPERC Regulation, Electricity Supply Code and Manual of Instructions.
 - j. This Authority even after listening to both the parties could not be convinced as it was observed that due to involvement of IBC, matter appeared intricate in nature and after advancing arguments at length, all arrived at one platform of consensus that it shall be in the interest of justice if this matter is placed before competent court of law.
 - k. After listening to the detailed Arguments advanced for more than two hours, the order was kept reserved for examining the contentions to the depth in terms of both IBC and Electrical provisions before issuance of final order. The documents given by the parties during Arguments were taken on record for further scrutiny.
19. The documents annexed and placed on record, Arguments advanced by both the parties have gone through in depth.
20. The appropriate Acts, Supply Codes, MYT Regulation, relevant Tariff Orders, Insolvency and Bankruptcy Code 2016, the Company Act,2013, Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulation 2016, Manual of Instructions part-1 (**Instruction No.20**) along with Order dt. 04.10.2024 passed by Hon'ble NCLT as well as judgement passed by different courts as placed on record, have been referred to for clarity.



Counsel



21. The case file bearing Complaint No. 3234/202508/25 and order passed on dated 19/11/2025 by the Consumer Grievance Redressal Forum Kasumpti, Shimla-171009 have been requisitioned and gone through in depth in conjunction with above submissions & documents placed on record by both the parties, so as to have a composite view of the case to arrive at judicious platform. The relevant extract from para (1) to para (74) of the said order also reiterated under the “**para-5**” above to arrive at legitimate conclusion and for the sake of brevity the order thereafter is recapped only on specific contentions if required.
22. The contentions of the Complainant detailed under **para- ‘4’**, reply of Respondent Board detailed under **para- ‘9’**, Rejoinder submitted by the Complainant placed under **para-16** and Arguments conducted at length & placed under **para- ‘18’**, may be referred to as cited above, however, where required have been reproduced only on specific contentions while doing analysis. To arrive at legitimate conclusion, the findings in the instant matter shall also carry detailed analysis while examining the issues on merit.
23. While examining the submissions made by the Complainant through main Representation, Supplementary affidavit, Application dt.22.04.2026 filed by the Complainant in between the proceedings, Rejoinder and Arguments advanced thereafter and subsequent to these, the reply submitted by the Respondent, it has been observed that there are many complex issues arising out of contentions and at first instance, this Authority would like to have a general view on the



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existence of the Complainant before further analysis which as per record appears to be as under.:

- a. That the National Company Law Tribunal, New Delhi, Principal Bench ("NCLT" or "Hon'ble NCLT" or "Adjudicating Authority"), through its order dated 25.09.2020 admitted the application for initiation of Corporate Insolvency Resolution Process ("CIRP") of M/s Metenere Ltd (hereinafter referred as "Corporate Debtor") filed by State Bank of India under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the IBC").
- b. That the Resolution Professional thereafter, invited claims from the respective creditors of the Corporate Debtor. Pursuant to which **the Respondent submitted its claims to the Resolution Professional**. The Resolution Professional after due verification, prepared a list of admitted claims. True copy of the list of creditors as on 01.07.2024 is annexed herewith and marked as **Annexure C1**.
- c. That pursuant to the approval, the Resolution Professional filed an Interlocutory Application before the Hon'ble NCLT, New Delhi for approval of the Resolution Plan. The Hon'ble NCLT, New Delhi vide its order dated 04.10.2024 approved the Plan of the Consumer/Complainant. True copy of the order dated 04.10.2024 is annexed herewith and marked as **ANNEXURE-C2** and true copy of the relevant extract of the Resolution Plan is annexed herewith and marked as **ANNEXURE-C3**.
- d. That thereafter, the Consumer/Complainant took over the plant of Corporate Debtor at Damtal, Himachal Pradesh in **November 2024** and started running its business.

24. The above introductory placement of the Complainant after taking over the plant in November, 2024 as a successful Applicant draws attention of this Authority on the various issues of contentions which have been observed while scrutiny of the documents placed on record as well as the Arguments advanced among the parties. The very **first issue** comes up for adjudication is the alleged adjustment of 'pre-CIRP (pre-Corporate Insolvency Resolution Proceedings) electricity dues, by the Respondents at their ends which as per Complainant all pre-CIRP dues stand extinguished upon approval of the Resolution Plan under **Section 31 of the IBC (Insolvency and Bankruptcy Code 2016)**.

25. To understand the austerly, the relevant extract of Section 31 of the IBC 2016 is reproduced as under:

"31. Approval of resolution plan.—(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the



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requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, [including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed.] guarantors and other stakeholders involved in the resolution plan”

26. In the instant case the record reveals that the ‘**pre-CIRP**’ period falls ‘**prior to October,2020**’ when the Resolution Professional invited claims from the respective creditors of the Corporate Debtor, after the application for initiation of ‘**Corporate Insolvency Resolution Process**’ of M/s Metenere Ltd (**Corporate Debtor**) was admitted vide order dt. 25.09.2020 passed by the National Company Law Tribunal, New Delhi, Principal Bench (“**Hon’ble NCLT**” or “**Adjudicating Authority**”).
27. To substantiate the above curriculum of ‘**binding**’ in consonance with Section 31 of the IBC 2016 as reproduced above under **para-25** of this order in respect of pre-CIRP dues, the Id. Counsel for Complainant also placed on record **through Rejoinder** at **para-B(3)** and showed reliance on the ‘**binding judgment**’ of the Hon’ble Supreme Court in *Maharashtra State Electricity Distribution Company Limited vs Twenty one Sugars Limited (Civil Appeal No. 1238/2025)*, **affirming the judgment of the Hon’ble NCLT** in ‘*Twenty-one Sugars Limited vs Maharashtra State Electricity Distribution Company Limited (Company Appeal (AT) (Ins) No. 487/2023)*’, which is enough to understand the anomaly and provides transparent view on the misconceptions regarding treatment of pre-CIRP dues in legal manners. The relevant extract of the said **para-B (3)** of the Rejoinder as submitted by the Complainant is reiterated as under for arriving at



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legitimate conclusion on the above issue of alleged adjustment during pre-CIRP period:

“The Hon’ble NCLAT has categorically held that where a Successful Resolution Applicant is compelled to make payment of pre-CIRP electricity dues for restoration of supply, such payment is deemed to have been made under compulsion and is liable to be refunded, as all pre-CIRP dues stand extinguished upon approval of the Resolution Plan under Section 31 of the IBC. It was further held that a distribution licensee cannot insist upon payment of such extinguished dues as a pre-condition for restoration of electricity, nor can it benefit from its own failure to lodge claims during CIRP. The Hon’ble Supreme Court has affirmed the said position, holding that no error, much less an error of law, was committed by the NCLAT. Accordingly, any amount recovered towards pre-CIRP dues, whether under protest or compulsion, is liable to be refunded, and any insistence or adjustment thereof is contrary to the settled position of law and the scheme of the IBC.”

28. This Authority draws meticulous picture and conceives the essence of above verdict of Hon’ble Supreme Court as a precedence to pursue with a mindset that ***all pre-CIRP dues stand extinguished upon approval of the Resolution Plan under Section 31 of the IBC.*** It has been observed that as per record, the Respondent subsequent to above initiation of Corporate Insolvency Resolution Process, filed claim through **Form-B** for **Pre-CIRP** period in two folds which holds the following status:

Claim made to Review Petitioner by HPSEBL under the category Operational Creditors
(Other than Workmen and Employees and Government Dues)

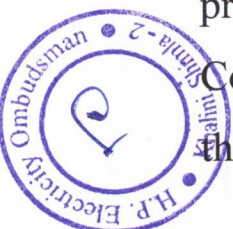
Name of the e Creditor	Date	Amount Claimed	Amount Admitted
HPSEBL	05.05.2021	Rs.1,45,93,938.00	Rs.1,23,55,283.00
HPSEBL	06.02.2024	Rs.64,98,000.00	Rs.39,79,000.00
Total		Rs.2,10,91,938.00	Rs. 1,63,34,283.00
Amount allotted to all operational Creditors (other than workmen and employees and Government Dues) out of 151.94 Crores as per NCLT Order dt.04.10.2024			Rs. 1,00,000.00
Amount received by HPSEBL for CIRP dues (Mail sent by Kunal Anand (RP Team) to HPSEBL on March17,2026 at 2:18 PM)			Rs.1187/-



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29. In terms of said judgement (ref. para-27), the above computation divulges that the claim raised during pre-CIRP stands extinguished in terms of Section-31 of IBC read with said judgement of Hon'ble Supreme Court after the Resolution plan was approved **vide order dt.04.10.2024** by the **Hon'ble NCLT, the Adjudicatory authority** and as per document placed on record by the Id. Counsel for Complainant during Arguments, it was observed that only an amount of Rs.1187/- was reported on 17.03.2026, received by the Respondents against the claim of Rs.2,10,91,938.00 (admitted Claim Rs.1,63,34,283.00). During arguments, the Id. Counsel for Complainant convinced this court by placing averments on this abrupt decline of claim of Respondent (operational creditor) that owing to participation in the 'Resolution Process', the Respondents are bound by the '**Waterfall Mechanism**' which was also agreed by all present in the court and no further comments were offered on this waterfall mechanism. This Authority in cognizance to the above statutory provisions governing Resolution Process feels convinced to the extent that the above said provisions definitely put binding on the corporate debtor and its employees, members and **creditors (Respondents)**. Hence leaves an impression that it cannot be opened for adjustment in future thereof.
30. In terms of foregoing analysis within the ambit of above stated provisions of IBC, Arguments advanced by the Id. Counsel for Complainant read with the findings of the Hon'ble Supreme Court in the said judgement as a settled law **affirming the judgment of the**



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Hon'ble NCLT (ref. para-27), this Authority in an unambiguous terms feels nourished to the extent that the claim as raised by the creditors during **pre-CIRP** period deems to be extinguished once the Resolution Plan is approved by the Adjudicatory Authority i.e. Hon'ble NCLAT in the instant case and further any adjustment thereof shall prove to be jeopardize to the spirit of justice as well as contrary to the settled position of law and the scheme of the IBC.

31. It has been observed that in the instant case, the Id. Counsel for Complainant under **para-6.4** through Supplementary Affidavit brought to the notice of this Authority that the bill issued for the month of January, 2026 by HPSEBL had reflected an adjustment of Rs. 99,46,600/-, the existing security against the outstanding dues of pre-CIRP period i.e. prior to October, 2020, thereby substantially reducing the security deposit position reflected in the consumer ledger. The relevant extract of **para-6.4** of Supplementary Affidavit is reiterated for clarity as under:

"6.4 That despite having consistently treated the said amount as a subsisting security deposit, the Respondent, in the January 2026 electricity bill, unilaterally deducted Rs. 99,46,600/- from the security deposit and reduced the balance security deposit to Rs. 52,28,404/-".

32. The Respondents in response to the Supplementary Affidavit on the above averments of the Complainant placed their views in **para-3 of the reply** under the heading '**Preliminary Submissions**' as well as under the heading '**Reply on Merit**' from '**para-6.1 to 6.7**' respectively, the relevant extract of which are also reiterated to have composite view as under:

"Preliminary Submissions"



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“3. That the answering respondent is a Distribution Licensee under the Electricity Act, 2003 and is authorized to operate and maintain a distribution system for supplying electricity to its consumers in the State of Himachal Pradesh. It is added that replying respondent was supplying electricity to the factory premises of Corporate Debtor. **It is pertinent to note here that even before initiation of CIRP the corporate debtor had been defaulting in making the Payments to the answering respondent in respect of use of electricity total amounting to Rs. 2.10 Cr in the case.**”

“Reply on Merit”

“6.1 to 6.7 That the contents of these paras are incorrect, false and hence denied in toto. In reply, it is submitted that the security amount of ₹99,46,600/- was deposited by M/s Metenere Ltd. at the time of release of the service connection, and the same was duly recorded in the account of M/s Metenere Ltd. and subsequently reflected in the energy bills of the said firm.

It is further submitted that M/s Orrisa Metaliks Pvt. Ltd. is misconstruing and misrepresenting the facts regarding the aforesaid **security amount of ₹99,46,600/-, which has been lawfully adjusted by HPSEBL against the outstanding dues of M/s Metenere Ltd.,** strictly in accordance with the applicable Supply Code 2009, Clause no. 3.8.1 (C) in the case.”

33. This Authority after observing the above reliance of the Respondent exclusively on the provisions of Supply Code 2009, Clause no. 3.8.1 (C) towards adjustment of pre-CIRP dues, draws considerate understanding that such an attempt of the Respondent appeared quite alarming to the present circumstances where the situation specifically related to the pre-CIRP period, is governed under **Section 31& other associated Sections of the IBC (Insolvency and Bankruptcy Code 2016)** and further affirms views that in terms of said provisions of IBC read with above judgement of ‘Hon’ble Supreme Court’(re. para-27) as a settled law, does not allow such act when the Resolution plan in terms of said judgement, once approved becomes binding on all concerned and the claim as raised by the creditors during **pre-CIRP** period deems to be extinguished. However, the Sr. Executive Engineer appeared as Respondents could understand the implication of the issue and clarified the position by submitting the updated status, signed in the court room during final Arguments on dt.08.05.2026 which was



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taken on record and the same is reiterated for record and reference as under:

"The Security amount of Rs 99,46,600/- was adjusted against Pre-CIRP outstanding amount and now the matter has been forwarded to the IT Cell for restoration of the above amount".

Sd/-

Sr. XEN Ed HPSEBL Indora

Sd/-

SDO, Damtal

34. In terms of above findings which are reflecting catastrophic inferences when the matter is governed within the scope of **Section 31 of the IBC (Insolvency and Bankruptcy Code 2016)** and the very **relevant extract of above order of Hon'ble NCLT** affirmed by the Hon'ble Supreme Court Judgement (ref. para-27) which reads as *"Accordingly, any amount recovered towards pre-CIRP dues, whether under protest or compulsion, is liable to be refunded, and any insistence or adjustment thereof is contrary to the settled position of law and the scheme of the IBC."*, the Respondent is directed to delete all references to **'extinguished pre-CIRP'** arrears from the Complainant's electricity bills (**Successful Resolution Applicant**) after obtaining **legal opinion** as well as **ascertaining the exact status of extinguished amount against the claim raised by the Respondent being one of the operational creditors** as the issue takes a lead under the ambit of the **Insolvency and Bankruptcy Code, 2016**.
35. In view of above, on this issue of **pre-CIRP** adjustment, the contentions of the Complainant are sustained and Respondent Board is directed not to attempt anymore for such wrongdoing which may attract defilements, as the present circumstances fall within the provisions of settled law in terms of order dt.04.10.2024 passed by the Hon'ble NCLT, administered under Section 31 of the IBC (Insolvency

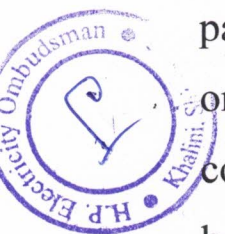


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and Bankruptcy Code 2016) and gathers strength from the above gist of Hon'ble Supreme Court judgement in similar matters affirming the order of Hon'ble NCLT(ref.para-27) **unless specific directions are issued by any competent court of law.** Accordingly, **the Application dt.22.04.2026 submitted by the Complainant for Expunction/ Modification of observations in the order dt.09.04.2026 is hereby disposed of.** This closes the findings on the issue of pre-CIRP.

36. After resorting to the issue of pre-CIRP adjustment, let us proceed to delve on the issue of realization of bills raised during CIRP period which as per record falls from **October,2020 to October, 2024.** This Authority understands that during CIRP (**Corporate Insolvency Resolution Proceedings**) period, the payment is disbursed by the **Resolution Professionals** who have been appointed to run(**revival**)the company during the above period of insolvency.
37. After referring to the submissions of both the parties on the issue of CIRP cost which for the sake of brevity are not being reproduced and may be referred to as reiterated under the above '**para-4&9**' of their respective submissions in this order, this Authority after listening to the final Arguments on dt.08.05.2026 of both the parties where the Id. Counsel for Complainant contended that the full amount for the said period of CIRP from **October,2020 to October,2024** reported to be paid, whereas, the Officers of the Respondent showed dissatisfaction on these contentions and after referring to the relevant record in the court room asserted during Arguments on 08.05.2026 that some balance payment is still awaited.



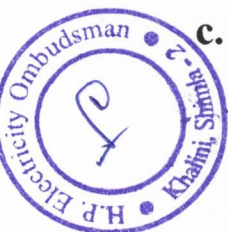
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38. This Authority on the above '**contentions of differences**' between the Complainant and Respondent deduces that but for mere misunderstanding, there is nothing serious regarding this issue towards CIRP cost and for judicious settlement warrants **reconciliation**. This Authority, accordingly feels it legitimate to direct Respondents to make reconciliation at **Division level** in the presence of one representative from **Complainant** side to facilitate prudent settlement. It is pertinent to mention here that the said settlement is only for the CIRP period from **Oct,2020 to Oct,2024** and should not include the pending liability towards **pre-CIRP** period as the claim as raised by the creditors during pre-CIRP period deems to be extinguished as per provisions of IBC-2016 in terms of conclusive findings as placed under **para-35** above. **This closes the findings on the issue towards CIRP cost.**

39. After acquiring legitimate pace while landing to the judicious platform in respect of **pre-CIRP** (ref. para-35) and **CIRP cost** issues (ref. para-38), this authority proceeds further to the examine the pivotal platform (**Transfer of Security**) which originates following issues if not adjudicated:

- a. **Whether, the Complainant is to be designated as a 'New Consumer' under the present circumstances?**
- b. **Whether the demand Notice dt. 30.06.2025 amounting to Rs.1,56,85,212/- raised by the Respondent towards fresh security is legitimate?**
- c. **Whether the existing security amounting to Rs.99,46,400/- of corporate debtor could be transferred to the present**



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incumbent 'M/s Orissa Metalliks' after the 'Change of Name' takes place?

40. This authority before pursuance to above issues understands that to arrive at circumspect consensus warrants explicit understanding of prevalent provisions where on one side as per the contentions of the Complainant there exists IBC-2016 (**Insolvency and Bankruptcy Code 2016**) which has a binding effect on the **claims resting/extinguished** during pre-CIRP period whereas on the other side as per Respondents, the applicable provisions of **Supply Code 2009, HPERC Security Regulation, 2005** as well as **Instruction No.20 of Manual of Instruction** govern the issue related to adjustment of earlier Security amounting to Rs. 99,46,600/- deposited at that point of time by the Corporate Debtor when connection was released to M/s Mentenere Ltd. (**Corporate Debtor**) and cannot be '**carried forward**' even if there requires a change in name only, unless the previous debt is cleared/adjusted against the said security, hence, they feel that their steps towards demanding fresh security of Rs. 1,56,85,212/- from M/s Orissa Metalliks Pvt. Ltd. who entered into the shoe of Corporate Debtor as per order dt.04.10.2024 passed by Hon'ble NCLT is a reasonable one.
41. This Authority observes that both the parties on this specific issue of security adjustment are interpreting the prevalent provisions in their own tone of suitability and over looking the consequential effects under present circumstances **when both the above-mentioned provisions (Para-40) are to be dealt synonymously in cascading**



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mode. Hence, in the interest of justice this Authority at first instance feels it legitimate to have an in-depth glance on the provisions which individuals are apprehending as applicable in the instant case in respect of their respective contentions. Let us first examine the relevant extract of provisions contemplating the intricacy of the averments made by the concerned parties which are as under:

A. IBC (Insolvency and Bankruptcy Code 2016)

Section 14.

14. Moratorium. — (1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: —

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

1[Explanation. —For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]

(2) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

1[(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified;]

2[(3) The provisions of sub-section (1) shall not apply to—

3[(a) such transactions, agreements or other arrangements as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;]

(b) a surety in a contract of guarantee to a corporate debtor.].

(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process:

Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.

Section 31

“31. Approval of resolution plan.—(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors. 1 [including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed,] guarantors and other stakeholders involved in the resolution.

Section 60

60. Adjudicating authority for corporate persons. — (1) The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of the corporate person is located.

(2) Without prejudice to sub-section (1) and notwithstanding anything to the contrary contained in this Code, where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or 1[liquidation or bankruptcy of a corporate guarantor or personal guarantor, as the case may be, of such corporate debtor] shall be filed before such National Company Law Tribunal. (3) An insolvency resolution process or 1[liquidation or bankruptcy proceeding of a corporate guarantor or personal guarantor, as the case may be, of the corporate debtor] pending in any court or tribunal shall stand transferred to the Adjudicating Authority dealing with insolvency resolution process or liquidation proceeding of such corporate debtor.



(Signature)



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(4) The National Company Law Tribunal shall be vested with all the powers of the Debt Recovery Tribunal as contemplated under Part III of this Code for the purpose of sub-section (2).

(5) Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of—

(a) any application or proceeding by or against the corporate debtor or corporate person;

(b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and

(c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.

(6) Notwithstanding anything contained in the Limitation Act, 1963 (36 of 1963) or in any other law for the time being in force, in computing the period of limitation specified for any suit or application by or against a corporate debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be excluded.

Section 61

61. Appeals and Appellate Authority. — (1) Notwithstanding anything to the contrary contained under the Companies Act 2013 (18 of 2013), any person aggrieved by the order of the Adjudicating Authority under this part may prefer an appeal to the National Company Law Appellate Tribunal.

(2) Every appeal under sub-section (1) shall be filed within thirty days before the National Company Law Appellate Tribunal:

Provided that the National Company Law Appellate Tribunal may allow an appeal to be filed after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing the appeal but such period shall not exceed fifteen days. (3) An appeal against an order approving a resolution plan under section 31 may be filed on the following grounds, namely: —

(i) the approved resolution plan is in contravention of the provisions of any law for the time being in force;

(ii) there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period;

(iii) the debts owed to operational creditors of the corporate debtor have not been provided for in the resolution plan in the manner specified by the Board;

(iv) the insolvency resolution process costs have not been provided for repayment in priority to all other debts; or

(v) the resolution plan does not comply with any other criteria specified by the Board.

(4) An appeal against a liquidation order passed under section 33 may be filed on grounds of material irregularity or fraud committed in relation to such a liquidation order.

Section 62

62. Appeal to Supreme Court. — (1) Any person aggrieved by an order of the National Company Law Appellate Tribunal may file an appeal to the Supreme Court on a question of law arising out of such order under this Code within forty-five days from the date of receipt of such order.

(2) The Supreme Court may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within forty-five days, allow the appeal to be filed within a further period not exceeding fifteen days.

Section 63

63. Civil court not to have jurisdiction. — No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which National Company Law Tribunal or the National Company Law Appellate Tribunal has jurisdiction under this Code.

Section 173

173. Mutual credit and set-off. — (1) Where before the bankruptcy commencement date, there have been mutual dealings between the bankrupt and any creditor, the bankruptcy trustee shall—

(a) take an account of what is due from each party to the other in respect of the mutual dealings and the sums due from one party shall be set-off against the sums due from the other; and (b) only the balance shall be provable as a bankruptcy debt or as the amount payable to the bankruptcy trustee as part of the estate of the bankrupt.

(2) Sums due from the bankrupt to another party shall not be included in the account taken by the bankruptcy trustee under sub-section (1), if that other party had notice at the time they became due that an application for bankruptcy relating to the bankrupt was pending.

B. PART IX Company Act 2013

AMALGAMATION, MERGER OR DIVISION

Amalgamation merger or division, etc. to form new Producer Companies. — (1) A Producer Company may, by a resolution passed at its general meeting, —

(a) decide to transfer its assets and liabilities, in whole or in part, to any other Producer Company, which agrees to such transfer by a resolution passed at its general meeting, for any of the objects specified in section 378B;

(b) divide itself into two or more new Producer Companies.

(2) Any two or more Producer Companies may, by a resolution passed at any general or special meetings of its Members, decide to—

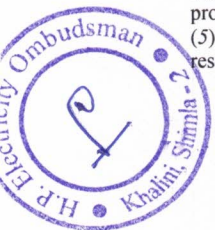
(a) amalgamate and form a new Producer Company; or

(b) merge one Producer Company (hereafter in this Chapter referred to as "merging company") with another Producer Company (hereafter in this Chapter referred to as "merged company").

(3) Every resolution of a Producer Company under this section shall be passed at its general meeting by a majority of total Members, with right of vote not less than two-thirds of its Members present and voting and such resolution shall contain all particulars of the transfer of assets and liabilities, or division, amalgamation, or merger, as the case may be.

(4) Before passing a resolution under this section, the Producer Company shall give notice thereof in writing together with a copy of the proposed resolution to all the Members and creditors who may give their consent.

(5) Notwithstanding anything contained in articles or in any contract to the contrary, any Member, or any creditor not consenting to the resolution shall, during the period of one month of the date of service of the notice on him, have the option, —



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- (a) in the case of any such Member, to transfer his shares with the approval of the Board to any active Member thereby ceasing to continue as a Member of that Company; or
- (b) in the case of a creditor, to withdraw his deposit or loan or advance, as the case may be.
- (6) Any Member or creditor, who does not exercise his option within the period specified in sub-section (5), shall be deemed to have consented to the resolution.
- (7) A resolution passed by a Producer Company under this section shall not take effect until the expiry of one month or until the assent thereto of all the Members and creditors has been obtained, whichever is earlier.
- (8) The resolution referred to in this section shall provide for—
- (a) the regulation of conduct of the affairs of the Producer Company in future;
- (b) the purchase of shares or interest of any Members of the Producer Company by other Members or by the Producer Company;
- (c) the consequent reduction of its share capital, in case of purchase of shares of one Producer Company by another Producer Company;
- (d) termination, setting aside or modification of any agreement, howsoever arrived between the company on the one hand and the directors, secretaries and manager on the other hand, apart from such terms and conditions as may, in the opinion of the majority of shareholders, be just and equitable in the circumstances of the case;
- (e) termination, setting aside or modification of any agreement between the Producer Company and any person not referred to in clause (d):
- Provided that no such agreement shall be terminated, set aside or modified except after giving due notice to the party concerned:
- Provided further that no such agreement shall be modified except after obtaining the consent of the party concerned;
- (f) the setting aside of any transfer, delivery of goods, payment, execution or other act relating to property, made or done by or against the Producer Company within three months before the date of passing of the resolution, which would if made or done against any individual, be deemed in his insolvency to be a fraudulent preference;
- (g) the transfer to the merged company of the whole or any part of the undertaking, property or liability of the Producer Company;
- (h) the allotment or appropriation by the merged company of any shares, debentures, policies, or other like interests in the merged company;
- (i) the continuation by or against the merged company of any legal proceedings pending by or against any Producer Company;
- (j) the dissolution, without winding up, of any Producer Company;
- (k) the provision to be made for the Members or creditors who make dissent;
- (l) the taxes, if any, to be paid by the Producer Company;
- (m) such incidental, consequential and supplemental matters as are necessary to secure that the division, amalgamation or merger shall be fully and effectively carried out.
- (9) When a resolution passed by a Producer Company under this section takes effect, the resolution shall be a sufficient conveyance to vest the assets and liabilities in the transferee.
- (10) The Producer Company shall make arrangements for meeting in full or otherwise satisfying all claims of the Members and the creditors who exercise the option, within the period specified in sub-section (4), not to continue as the Member or creditor, as the case may be.
- (11) Where the whole of the assets and liabilities of a Producer Company are transferred to another Producer Company in accordance with the provisions of sub-section (9), or where there is merger under sub-section (2), the registration of the first mentioned Company or the merging company, as the case may be, shall stand cancelled and that Company shall be deemed to have been dissolved and shall cease to exist forthwith as a corporate body.
- (12) Where two or more Producer Companies are amalgamated into a new Producer Company in accordance with the provisions of sub-section (2) and the Producer Company so formed is duly registered by the Registrar, the registration of each of the amalgamating companies shall stand cancelled forthwith on such registration and each of the Companies shall thereupon cease to exist as a corporate body.
- (13) Where a Producer Company divides itself into two or more Producer Companies in accordance with the provisions of clause (b) of sub-section (1) and the new Producer Companies are registered in accordance with the provisions of this Chapter, the registration of the erstwhile Producer Company shall stand cancelled forthwith and that Company shall be deemed to have been dissolved and cease to exist as a corporate body.
- (14) The amalgamation, merger or division of companies under the foregoing sub-sections shall not in any manner whatsoever affect the pre-existing rights or obligations and any legal proceedings that might have been continued or commenced by or against any erstwhile company before the amalgamation, merger or division, may be continued or commenced by, or against, the concerned resulting company, or merged company, as the case may be.
- (15) The Registrar shall strike off the names of every Producer Company deemed to have been dissolved under sub-sections (11) to (14).
- (16) Any member or creditor or employee aggrieved by the transfer of assets, division, amalgamation or merger may, within thirty days of the passing of the resolution, prefer an appeal to the Tribunal.
- (17) The Tribunal shall, after giving a reasonable opportunity to the person concerned, pass such orders thereon as it may deem fit.
- (18) Where an appeal has been filed under sub-section (16), the transfer of assets, division, amalgamation or merger of the Producer Company shall be subject to the decision of the Tribunal.

C. HPERC Security Deposit Regulation:

- 4. Security deposit for the supply of electricity:** - (1) The consumer shall, at all times maintain with the licensee an amount equivalent to consumption charges for the billing cycle period, as security during the period the agreement for supply of energy to such consumer remains in force: Provided that where billing cycle is changed the security, deposit shall be reduced/increased on pro-rata basis.
- (2) If any person is prepared to take the supply through a pre-paid meter the distribution licensee shall not be entitled to collect the security deposit in respect of the electricity supplied to such person: Provided that in the case of existing consumer who opts for the supply through the pre-payment meter, the licensee shall refund the amount of security deposit of such consumer lying with the licensee.
- (3) The initial security deposit payable at the time of releasing the supply shall be at flat rates mentioned in regulation 5.
- (4) The amount payable towards security shall be in the form of cash/demand draft (DD) drawn in favour of the licensee; Provided that where the amount payable towards security exceeds rupees 5.00 lacs, the consumer may opt to furnish the security in the form of Bank Guarantee



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D. HPERC Supply Code 2009

3.8 Refund of initial security and charges:

3.8.1(c) On termination of agreement-

Where an agreement for supply of electricity is terminated as per the Conditions of Supply or provisions of this Code, the licensee will refund the initial/additional security, after making adjustments for the amounts outstanding against the consumer, within one month of the date of termination of the agreement as per the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005.

E. Manual of Instruction (INSTRUCTION No. 20)

Change of Name/Title

Instruction No.20.8(3):(Change of Name/Title)

3. Procedure for the change of name is required because of <u>amalgamation</u> <u>/merger as per the provisions of Companies Act,2013</u>		
Documents required to be submitted (by the consumer in whose name the name is required to be changed)	Charges to be deposited	
	Security Deposit	Recovery of Expenditure
1) Certificate of Incorporation issued by the Registrar or copy of High Court Order. 2) Article of Association. 3) Approval of change of Name by the Industries Deptt. of HP 4) Copy of current electricity Bill duly paid with no arrears. 5) A&A form duly filled with one cross Stamp Paper of Rs. 10/-. 6) Test Report from Licensed Electrical Contractor. 7) Board resolution for authorised signatory. 8) Self-certified undertaking/ Declaration on plain paper to pay any outstanding liability if any become due by old consumer. 9) Identity proof of new applicant 10) Self-certified undertaking/ Declaration on plain paper for change of name	1) Security Deposit in Cash shall be transferred automatically. The Security Deposit in the shape of BG shall be required to be changed for new name of the consumer. 2) In case the load required is in excess of the existing sanctioned load, the additional security for additional load as per HPERC (Security Deposit) Regulations shall be deposited by the new consumer, along with test report from Licensed Electrical Contractor, which may be verified by the concerned HPSEBL official(s).	1) Nil; in case the existing load/CD as per test report is same as sanctioned load. 2) Normative IDC shall be charged as per rates prevailing at the time of name change on additional load/CD in case total load required at consumer premises is more than the sanctioned load.

42. Let us scrutiny and reiterate the very specific contentions of Both Complainant and Respondent on their opinion on security deposit and its adjustment.

a. Complainant Contends:



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- i. That the Respondents' foundational error lies in treating the Complainant as a "new consumer" to demand a fresh Additional Consumption Deposit (ACD) of Rs. 1,56,85,212/- and to justify the illegal adjustment of the existing security deposit. Pursuant to the Hon'ble NCLT Order dated 04.10.2024, M/s Metenere Ltd. stands successfully amalgamated with the Complainant (OMPL).
- ii. That the Complainant also places direct reliance upon the binding judgment of the Hon'ble Supreme Court in Central Transmission Utility of India Ltd. v. Sumit Binani (Civil Appeal Nos. 2216-2217 of 2025), wherein it has been categorically held that once the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 comes into effect, any amount, security deposit, cash, or funds lying with a creditor, **which otherwise remains the property of the Corporate Debtor, cannot be unilaterally appropriated, adjusted, or set off against pre-CIRP dues.** The Hon'ble Supreme Court further clarified that such funds continue to remain the property of the Corporate Debtor and cannot be diverted except in accordance with the scheme of the IBC. The very foundation of the said judgment is that once set-off is prohibited during the subsistence of the moratorium, the same cannot subsequently be permitted, directly or indirectly, after conclusion of CIRP or approval of the Resolution Plan in relation to assets and receivables of the Corporate Debtor/Successful Resolution Applicant.
- iii. That the Respondents' reliance on Clause 3.8.1 (C) of the Supply Code, 2009, to adjust the security deposit against alleged outstanding dues of Rs. 2.10 crores is denied as illegal and arbitrary. As established by the Hon'ble High Court in the *Indorama* judgment, the transfer of the undertaking to OMPL is by operation of law. The existing security deposit of Rs.99,46,600/- vested in OMPL free from all past encumbrances. By appropriating this vested asset against pre-CIRP dues that were permanently extinguished under the approved NCLT Resolution Plan, the Respondents are directly **violating the statutory "clean slate" principle of the IBC.**
- iv. That the Respondents' attempt to justify the demand for a fresh security deposit of Rs. 1,56,85,212/- under HPSEBL Sales Manual Instruction No. 20.8 is vehemently denied. Instruction No. 20 applies exclusively to the release of *fresh* connections. OMPL is an existing, continuing consumer. A mere procedural request for a change of name in the billing records does not transform OMPL into a "new applicant" triggering a fresh Additional Consumption Deposit (ACD). The demand violates Regulation 4 and 6(2) of the HPERC (Security Deposit) Regulations, 2005, which mandate revision based only on average billing, not on a change of ownership name.

b. Respondent Contends:

- i. That in terms of Sales Manual Instruction No. 20.8 of HPSEBL, every new consumer is mandatorily required to furnish fresh security deposit as per the provisions of the HPERC Security Regulations. In the present case, the complainant was required to deposit a sum of Rs. 1,56,85,212/- towards security, along with submission of requisite documents and completion of prescribed procedure under the applicable norms of HPSEBL. The same has not been complied with by the petitioner till date.
- ii. That the security deposit of Rs 99,46,600/- stands in the name of M/s Metenere Ltd., whereas outstanding dues of Rs 2,02,14,983/- are also recoverable from the said entity. In terms of Sales Manual Instruction No. 20.8 of HPSEBL, the security deposit of a previous consumer is refundable to that consumer only after due adjustment of all pending dues. Furthermore, as per the said instruction, every new consumer is mandatorily required to furnish fresh security deposit at the time of release of connection in its favour.
- iii. That the Complainant, M/s Orissa Metaliks Pvt. Ltd., has submitted a representation for change of name of the existing connection. However, it is specifically reiterated that as per Sales Manual Instruction No. 20.8 of HPSEBL, every new consumer is mandatorily required to furnish a fresh security deposit as per the provisions laid down under the HPERC Security Regulations.



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- iv. That the Hon'ble Forum has rightly held that the Consumer/Complainant was required to apply afresh for change of name, execute a new agreement and comply with all codal formalities. As per Sales Manual Instruction 20.8, whenever ownership of a premises or undertaking is transferred, the transferee is treated as a new consumer, who must mandatorily execute a fresh agreement and furnish fresh security deposit in accordance with HPERC Security Deposit Regulations.
- v. That the complainant is incorrect in asserting that continuity of supply under the Resolution Plan exempts it from fulfilling these statutory requirements. The IBC does not override mandatory operational regulations governing supply of essential services. Continuity of electricity supply under IBC does not entitle the complainant to enjoy uninterrupted supply without furnishing security and executing the requisite agreement, which is a basic condition applicable to every consumer of HPSEBL.
- vi. That it is most humbly submitted that the findings in Para 48 of the Impugned Order are legally sound and require no interference. The complainant's assertion that HPSEBL is bound by alleged limitations arising under the Resolution Plan is misconceived. The complainant has conveniently ignored that matters of security deposit calculation and recovery of shortfall are governed solely by HPERC Regulations, which remain binding irrespective of IBC proceedings.
- vii. That the Hon'ble Forum has rightly held that the security deposit furnished by the Corporate Debtor cannot automatically transfer to the complainant and was liable to be considered in accordance with the applicable regulatory framework.
- viii. That the allegation that the extinguishment theory is "afterthought" is also baseless. The respondent has repeatedly clarified that security deposit is a consumer-specific obligation, and upon transfer or change of name, fresh security deposit is mandatorily required. Therefore, the Hon'ble Forum rightly rejected the complainant's attempt to claim enrichment through transfer of the Corporate Debtor's security deposit, which is impermissible and contrary to HPERC Regulations.

43. This authority after referring to provisions of both IBC and Supply Code read with HPERC Regulations, Company Act (2013) & Manual of Instructions in parallel, affirms that even if the matter is related to change in name, the fresh deposit of security is one of the mandatory requirements to be furnished in terms of the prevalent provisions as reproduced above under **para-41** of this order.

44. After referring to the above contentions of both Complainant and Respondents in conjunctions and further scrutiny of Instruction **No.20.8(3)** as reproduced under **para-41(E)**, read with HPERC Security deposit Regulation & HPERC Supply Code 2009 and Company Act-2013, this Authority feels comfortable to analyze the **first and second issue as given under para 39(a &b) above i.e.**



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‘whether, the Complainant is to be designated as a ‘New Consumer’ under the present circumstances as well as ‘whether the demand Notice dt. 30.06.2025 amounting to Rs.1,56,85,212/- raised by the Respondent towards fresh security is legitimate.

45. It has been observed that the instruction No. 20.8(3) is being governed under the Company Act 2013 (**ref. para-41(E)**) where the term ‘**Amalgamation**’ is not administered by Insolvency Resolution procedure as in the instant case where the issue of ‘**Amalgamation**’ took place after Hon’ble NCLT passed order dt. 04.10.2024 under the Insolvency and Bankruptcy Code 2016 and the so-called M/s Orissa Metaliks, the Amalgamated party entered the ‘**shoe of corporate debtor**’ following the statutory principle of ‘**clean slate**’ of IBC (**ref. para-C (2) of Rejoinder**) and all claims as raised by the creditors during pre-CIRP period i.e. prior to October, 2020 deemed to be extinguished in terms of IBC.
46. To fetch further clarity on the above interpretations, this Authority would first like to understand the meaning of the term ‘**clean slate**’ in terms of IBC principle as categorically admitted by the Complainant itself under **para-C(2) of Rejoinder** and overlooking at its own which is must to apprehend the graveness of contentions or otherwise it shall remain misapprehension whether the instant case is to be considered as fresh consumer(**New Consumer**) or an old consumer as on one side the Respondent Board is considering so called M/s Orissa Metaliks as a ‘**New consumer**’ and raising demand for submission of fresh security as required from new consumer in terms of prevalent



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provisions, on the other hand M/s Orissa Metaliks are contending themselves as an old consumer which is contrary to the assertions made by the Complainant himself under the said para of the Rejoinder. However, after making an in-depth study of the submissions, this Authority draws considered opinion that the Complainant is very much aware of the fact that they have entered into the shoe of corporate debtor of ongoing firm after competing successfully Insolvency process in terms of **clean Slate principle** of IBC. But the very quote '**clean slate**' appears to have hidden meaning which if not delve, **may change the direction of legitimate judgment**. This authority after digging the meaning of '**clean slate**' from Dictionary could fetch the following meaning:

Clean slate: an opportunity to start over without prejudice.

Synonym: fresh start

47. After resorting to above analysis under **para-46**, it has been observed that the quote '**clean slate**' was first time explicitly mentioned by the Complainant itself in its submissions at **para-C(2) of the Rejoinder** which meticulously attracts the meaning that the term '**clean slate**' is quite indicative and enough to understand that M/s Orissa Metalliks entered into the shoe of Corporate Debtor as a '**New Consumer**' with '**fresh start**' in terms of '**clean slate**' principle of IBC which cannot be ignored as in terms of earlier findings, the pre-CIRP claims stand extinguished.

48. In view of above inferences, this Authority opines without any doubt that after M/s Orissa entered into the shoe of M/s Metenere as an amalgamated concern following '**clean slate**' principle of IBC as



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contended by the Complainant under **para-C(2) of Rejoinder**, henceforth, all electrical provisions i.e. HPERC Regulations, Supply Code, Manual of Instructions etc. as reproduced under **para-41** which are applicable for the New Consumer of Respondent (HPSEBL) have also become applicable for the Complainant being entering the shoe of Corporate Debtor as a '**clean slate**' entity after taking over the plant in Noember,2024 in consonance with the order dt. 04.10.2024 passed by Hon'ble NCLT and further in terms of said provisions, the Complainant is bound to adhere to the said instructions i.e. all codal formalities required for '**change of name**' which is still running as M/s Metenere in the Account Books of Respondent (HPSEBL) as well as to pay **fresh security** as raised by the Respondent through Demand Notice dt.30.06.2025 amounting to **Rs.1,56,85,212/-** being one of the mandatory requirements.

49. Hence, the conception of M/s Orissa Metalliks that 'OMPL' is an existing 'continuing consumer' is misconstrued as apparent to the documents placed on record, the hierarchy of occupation reveals as under:

- a. That **prior to October,2020**, M/s Metenere was in existence.
- b. That from **October,2020 to October,2024** during initiation of insolvency process, Resolution Professional were vested to run (**revival**) the company. Hence, there was a break between the original occupant (M/s Metenere) as well as ensuing occupant (M/s Orissa Metalliks).



Ruppal



c. As per record M/s Orissa Metalliks entered the shoe of Corporate Debtor as a '**clean slate entity**' like a new consumer and took over the plant in November, 2024 after they were declared as Successful Applicant by Hon'ble NCLT vide order dt. 04.10.2024 and that is too as per clean slate principle of IBC, as asserted explicitly by the Complainant itself under **para-C(2) of Rejoinder** and in the interest of justice, the facts cannot be overlooked.

50. This Authority after observing the reliance of the Respondent exclusively on Instruction No. 20.8(3) which as per above reiteration 40(D) is governed under Company Act 2013 as mentioned in the said instruction read with code 3.8.1 of HPERC Supply Code 2009, gathers considered opinion that in case of IBC the said provisions become applicable only after the successful applicant enters into the shoe of predecessor as in the present case so called M/s Orissa Metaliks entered into the shoe of M/s Mentere, the corporate debtor only after the order dt. 04.10.2024 was passed by the Hon'ble NCLT and is ***considered deemed to be Amalgamated from the day the said order was issued as per documents placed on record i.e w.e.f. 04.10.2024.*** However, it has been observed that but for '**change of name**' which is mandatory, the bills etc. are still being raised in the name of M/s Metenere even after the order dt. 04.10.2024 was issued by Hon'ble NCLT. This Authority feels without prejudice that the Complainant should expedite '**Change of Name**' on priority to avert any coercive



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action, being one of the mandatory requirements in terms of prevalent provisions and furnish all codal formalities as mandated.

51. This Authority in the interest of justice would also like to recapitulate below the relevant extract of **para-(60)** of the CGRF order dt.19.11.2025 whereby the Id. CGRF has cited extract of **judgements of Hon'ble Supreme Court** which appears to be quite appropriate to the present circumstances and supportive to the above analysis of this Authority on the term **"New consumer"** on the analogy of **"Clean Slate"** in the instant case where the Complainant entered the shoe of Corporate Debtor as a **'clean slate entity'** like a new consumer and took over the plant in November,2024 after they were declared as Successful Applicant by Hon'ble NCLT vide order dt.04.10.2024 following clean slate principle of IBC:

*"(60) Forum has also gone through the **judgments of the Hon'ble Apex Court** cited by the Complainant. Forum finds that the Hon'ble Apex Court in para 105 and para 107 of case titled **Essar Steel India Ltd. V Satish Kumar Gupta**, while relying on case titled **SBI v. V Ramakrishnan**, has held that **an approved resolution plan is binding on all stake holders for the reason that the provisions of Section 31(1) of the NCLT Code ensures that successful resolution applicant starts running the business of the Corporate Debtor on a clean slate** and that it cannot suddenly be faced with undecided claims after the resolution plan submitted by him is accepted. All claims must be submitted to and decided by the Resolution Professional so that the prospective Resolution Applicant knows exactly what has to be paid in order that it may then take over and run the business of the Corporate Debtor;"*

52. In view of above convincing findings this authority draws considered opinion without any doubt (***when para-C(2) of the Rejoinder is read with above para (60) citing Hon'ble Apex Court Judgement***) that the Complainant attains the status of a **'New Consumer'** under the present circumstances as it has entered into the shoe of Corporate Debtor on **'clean slate'** principle of IBC, after qualifying the Insolvency Resolution proceedings as a successful applicant and is **liable to pay fresh security** as per demand Notice dt. 30.06.2025



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amounting to Rs.1,56,85,212/- raised by the Respondent and expedite immediate steps for change of name being one of the mandatory requirements. This Authority also agrees and gains support in terms of diligent analysis made by the Id. CGRF under para (62) of its order dt.19.11.2025 to the extent that after the Complainant entered the shoe of Corporate Debtor as a 'clean slate entity' like a new consumer, shall be henceforth, governed under the provisions of the electricity statute. The para (62) is recapped for reference and record as under.

(62) Here the fact is that the Corporate Debtor was kept a going concern from October 2020 to October/ November 2024 and it is not the question of Complainant being a going concern which may be a question in future. Here, the Security deposit by the Corporate Debtor against which electricity was supplied to it by the Respondent immediately stands extinguished / offset against the Corporate Debtors default. Thus, the Security to now be deposit by the Complainant has to be against the electricity now to be supplied to it and dues arising therefrom, which has to be in terms of the electricity statute and not the NCLT statute, even if its stepping into the system is in continuity of a previous consumer being the Corporate Debtor. Thus, the judgments passed by the Hon'ble Apex Court and cited by the Complainant cannot come in support of the Complainant;

Hence, the contentions of the Complainant on these two issues are **not tenable** under the present circumstances when the issues took birth under the regime of IBC-2016. In terms findings, the action of Respondent is sustained. **This closes the findings on the above issues as placed under para-39(a) & (b).**

53. In terms of above conclusive findings under **para-52**, this Authority feels comfortable to pursue further for delving the very vital issue as cited under **para-39(c)** above i.e. *Whether the existing security of corporate debtor could be transferred to the present incumbent 'M/s Orissa Metalliks' under the present circumstances of IBC, after the 'Change of Name' takes place?*



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54. After referring to the prevalent provisions falling within the ambit of electricity Act 2003, Supply Code 2009, HPERC Security Deposit Regulation, Instruction No. 20.8(3) of Manual of Instruction read with Section-30/31 of IBC (**Insolvency and Bankruptcy Code 2016**), this Authority opines that the word '**Amalgamation**' has its prime most importance in the interest of justice in the instant case as the application of provisions depend upon as to what type of '**Amalgamation**' occurs whether a very simple type in terms of Company Act 2013 which reads as "*b(3) Every resolution of a Producer Company under this section shall be passed at its general meeting by a majority of total Members, with right of vote not less than two-thirds of its Members present and voting and such resolution shall contain all particulars of the transfer of assets and liabilities, or division, amalgamation, or merger, as the case may be*" in which the Applicant does not pass through the Insolvency Resolution proceedings, rather both the parties pass through above hierarchy before '**Amalgamation**' and the successor takes over **all assets and liabilities** of predecessor or as in the instant case the settlement, attracts the provisions of **Insolvency and Bankruptcy Code 2016** whereby all claims of respective creditors of pre-CIRP period (**prior to October, 2020**) deemed to be extinguished and for the period CIRP (**from October, 2020 to October, 2024**), the Resolution Professional were appointed for facilitating **revival** of the plant and thereafter the successful Resolution Applicant here so called **M/s Orissa Metalliks** entered into the shoe of **M/s Metenere (Corporate Debtor)** as an amalgamated concern following '**clean slate**' principle of IBC(ref. para-C(2) of Rejoinder) and took over



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the plant in November,2024 as an **asset only** after the order dt. 04.10.2024 was passed by the Hon'ble NCLT.

- 55.** After nourishing with the term **Amalgamation**, there still exists an illusion as to what treatment is to be given to the security amounting to Rs.99,46,600/- which as per record was deposited by the **corporate Debtor** (M/s Metenere) when the connection was released at that point of time whereas the **pre-CIRP** claims raised by the operational creditors (**Respondent**) as per analogy of prevalent provisions stand extinguished.
- 56.** On scrutiny of **page No.119** of case file of **Id. CGRF** in the instant case, it has been gathered that the Respondents while raising the claim of Rs.1,45,93,938+Rs.64,98,000.00=2,10,91,938/-(ref.para-28)through '**Form-B**' as an operational creditor (**Respondent**) before the Resolution Professional appointed for the purpose, also explicitly mentioned the said security amount of **Rs.99,46,600/-** as one of the components of adjustment at point No.8&9 respectively of the said **Form-B** with specific mention to **set-off against the claim raised** before the Resolution Professional. The relevant part of the '**Form-B**' is also recapped here as under to validate the same and to arrive at judicious understanding:

FORM-B

PARTICULARS		
8.	DETAIL OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	Rs.99,46,600.00 (AS CASH DEPOSIT ON ACCOUNT OF ADVANCE CONSUMPTION DEPOSIT)
9.	DETAILS OF: a. Any security held, the value of security and its date, or b. Any retention of title arrangement in respect of goods or properties to which the claim refers.	Rs.11,11,200.00 (R/No.83152 DT 03/02/2009) Rs.88,35,400.00 (R/No. N150180551459595 DT 30/05/2018) TOTAL: Rs.99,46,600.00



Pushpal



57. This Authority fails to understand as to how the fresh security of **Rs.1,56,85,212/-** demanded by the Respondent could be adjusted against the existing security of Rs.99,46,600/- as contended by the Complainant when the Respondents as per above record had already mentioned in **Form-B** and **requested to set-off the said** security against the **pre-CIRP** while raising the claim before RPs during initiation of CIRP.
58. This Authority while scrutiny have not come across any document which could clearly establish whether the existing security (Rs.99,46,600/-) stands set-off after Insolvency proceedings against the claim raised by the Respondent through **Form-B** as per procedure laid down in respect of Insolvency Proceedings or if not then any directions for its further treatment under present circumstances as to who could be the '**Principal Honor**' to claim such outstanding in the form of security which was deposited by the Corporate Debtor at that point of time **for mutual dealing between the Corporate Debtor & the Creditor(Respondent) on the occurrence of any undesirable events.**
59. It has been observed that the Complainant under **para-B(4)** of the Rejoinder has cited the judgement of Hon'ble Supreme Court in the matter '*Central Transmission Utility of India Ltd. v. Sumit Binani (Civil Appeal Nos. 2216-2217 of 2025)*', the contents of the para placed on record are very much relevant to the present circumstances when one has apprehensions about the status of existing security whether stands set-off during Insolvency or not and puts an embargo



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for its exact place of adjustment under the present circumstances when the Applicant here so called **M/s Orissa Metalliks** entered into the shoe of **M/s Metenere (Corporate Debtor)** as an amalgamated concern following ‘**clean slate**’ principle of IBC(ref. **para-C(2) of Rejoinder and above para-51**) and took over the plant in November,2024 as an **asset only** in terms of IBC after the order dt. 04.10.2024 was passed by the Hon’ble NCLT. It has also been observed that no such documents were placed on record to assess its legitimate placement as well as even the averments made by the concerned could not convince the court. This Authority is of the considered view that **the findings cannot fly over the wings of surmises or otherwise it may create precarious situation in the public interest**. In the interest of justice, the relevant part of the **para-B (4) of the Rejoinder** is recapitulated as it is below:

“ **Para-B(4)**

The Complainant also places direct reliance upon the binding judgment of the Hon’ble Supreme Court in **Central Transmission Utility of India Ltd. v. Sumit Binani (Civil Appeal Nos. 2216-2217 of 2025)**, wherein it has been categorically held that once the moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 comes into effect, any amount, security deposit, cash, or funds lying with a creditor, **which otherwise remains the property of the Corporate Debtor, cannot be unilaterally appropriated, adjusted, or set off against pre-CIRP dues.** The Hon’ble Supreme Court further clarified that **such funds continue to remain the property of the Corporate Debtor** and **cannot be diverted except in accordance with the scheme of the IBC.** The very foundation of the said judgment is that once set-off is prohibited during the subsistence of the moratorium, the same cannot subsequently be permitted, directly or indirectly, after conclusion of CIRP or approval of the Resolution Plan in relation to assets and receivables of the Corporate Debtor/Successful Resolution Applicant”.

60. The above gist of judgement of Hon’ble Supreme Court in the said case submitted by the Complainant at para-B (4) of the Rejoinder makes amply clear as a **precedence** regarding the honour-ship of the



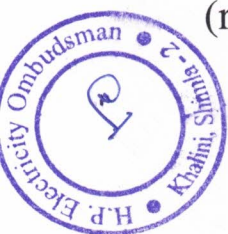
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existing security and draws unambiguous attention of this Authority on a very important hidden information as under:

- a. That the security otherwise remains the **property of the Corporate Debtor** and continue to remain the property of the Corporate Debtor.
- b. That the security Cannot be **unilaterally** apportioned/appropriated or setoff against pre-CIRP dues.
- c. That the security cannot be diverted *except in accordance with the scheme of the IBC.*

61. After honoring the gist of said judgment of Hon'ble Supreme Court placed on record at **para-B (4)** of the Rejoinder, **draws considered opinion that the diversion of security is prohibited except in accordance with the scheme of IBC.** After resorting to the above exhaustive findings it has been squarely gathered that the instant case has passed through different stages of IBC before the Complainant entered into the shoe of Corporate Debtor as a '**Clean Slate Entity**' and after referring to the documents placed on record and hearing the parties at length, this Authority could not find clarity about any directions issued during IBC regarding appropriation of Security in question which creates benefit of doubt as to whether the said security stands extinguished while the claim was raised by the Respondent (Operational Creditor) inclusive of adjustment of security amount of Rs.99,46,600/- through Form-B with due mention of security amount (ref.**para-56 above**) for setting off same against the outstanding.



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However, it has been observed that the said security still stands in the accounts of Respondent Board (**ref. para-15(f) &33**).

62. In view of aforesaid terms, it has been observed that neither the breakup of adjustment of pre-CIRP dues/claim has been placed on record which could have provided some concrete information on the drastic decline of the claim to the extent of Rs. 1187/- (**water fall mechanism**) as was conveyed to Respondent (HPSEBL) by Sh. Anand (RP Team) through Mail dt. 17.03.2026 against their claim raised to the tune of Rs. 2,10,91,938 and admitted to the extent of Rs.1,63,34,283/- nor any clarity has been provided regarding status of the existing security of Rs. 99,46,600/- whether the same stands set-off against their extinguished claim of pre-CIRP period as well as its treatment for further adjustment which as per record also stands informed by the Respondent through Form-B to RPs during Insolvency Resolution Proceedings under the provisions of IBC-2016.
63. This Authority also feels to place below the relevant extract of diligent analysis made by the Id. CGRF under para-(55) in its order dt.19.11.2025 which appears to present intricacy in the instant case in realistic manners and may add supportive inferences to the above findings:

*“(55) Thus, Forum holds that when the Corporate Debtor (M/s Metenere) is a going concern, its liabilities are also transferred to the Complainant along with the Corporate Debtor’s assets. Here in the instant matter even prior to the NCLT proceedings, the liability is that of erstwhile electricity supplied (in electricity units) to the corporate debtor which is a pre-CIRP liability while the Security deposit by the Corporate Debtor is also a pre-CIRP liability with Respondent, having been received by the Respondent against the electricity supplied to the Corporate debtor by the it. Accordingly, if the Corporate Debtor’s Security deposit gets vested into the Complainant after the CIRP, then so does the electricity supplied to it, if not paid by the Corporate Debtor and **if this electricity supplied does not get vested, then the Security deposit by Corporate Debtor too cannot**. Equitable treatment cannot be that pre-CIRP asset/liability is offset against a post CIRP liability of the Complainant as is wrongly being sought by the Complainant. **To only vest the Security Deposit of the Corporate Debtor into the***



Ruphal



Complainant and not the unpaid electricity supplied to the Corporate Debtor, amounts to enriching the Complainant which Forum holds as patently wrong and cannot be the intention of the law especially when the Complainant has taken over the plant after deposit of Plan amount of Rs 295,14,95,611/= against the admitted claims of the creditors to the tune of Rs 3672.39 crore, which in the opinion of the Forum is final as per the Orders of the Ld NCLT;

64. This Authority after delving the austerity of findings to the depth and resorting to the detailed analysis of each and every point of contentions independently being uneven intricacy involved also appreciates and agrees with the thought process of Id. CGRF, summing up all contentions in very precise manners. As such this Authority does not find any infirmity in the order dt. 19.11.2025 passed by the Id. CGRF except that when the decisive findings were being laid by the Id. CGRF in respect of each point of contentions, at that point of time the factual position of claim to be received by the Respondent was not clear and were taken as apprehended which was later on conveyed through e-mail dt.17.03.2026 by Sh. Kunal Anand (RPs) to the extent of Rs.1187/- only in terms of "Water Fall Mechanism" while the matter was sub-judice before this Authority. Hence, the said order dt.19.11.2025 passed by the Id. CGRF is upheld in principle.
65. In the absence of any directions in IBC regime regarding treatment of existing security of Rs.99,46,600/- against the fresh security of Rs.1,56,85,212/- as raised by the Respondent vide Demand Notice dt.30.06.2025, after resorting to exhaustive findings under para-53 to 62, this Authority in due cognizance to the hierarchy of adjudication system when the gist of judgement of Hon'ble Supreme Court as cited by the Complainant at para- B (4) of the Rejoinder, conveys some legal bindings (ref. para 59) in terms of



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IBC Scheme, is under constraint to pass any order on this issue of transfer of security or otherwise adding word to the mouth of existing provisions of IBC which is beyond the jurisdiction of this authority, may construe gross delusion leading to damage of the judicious system of settlement and may set up wrong precedence to give birth to unwarranted litigations.

66. In view of foregoing findings and analysis, the order is appended as below:

- a. The order dt. 19/11/2025 passed by the Consumer Grievance Redressal Forum at Kasumpti in Complaint No. 3234/202508/25 is upheld in principle.
- b. In monetary terms, the Demand Note dt.30.06.2025 amounting to Rs.1,56,85,212/- raised by the Respondent is sustained.
- c. In terms of findings under para-34, the Respondent Board is directed not to adjust any Pre-CIRP (prior to October, 2020) amount against any outstanding held in the form of security as the amount stands extinguished in terms of provisions of IBC.
- d. In terms of further findings under para-34, the Respondent Board is directed to delete all references to the 'extinguished pre-CIRP' arrears from the Complainant's electricity bills after obtaining legal opinion as well as ascertaining the exact status of extinguished amount against the claim raised/received as an operational creditor after acquiring the breakup of adjustment, as the issue is governed under the ambit of the Insolvency and Bankruptcy Code, 2016.
- e. In terms of findings under para-35, the Application dt.22.04.2026 filed by the Complainant for Expunction/Modification of observations in the order dt.09.04.2026 also stands disposed of.



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- f. In terms of conclusive findings under para-38, the Respondent is directed to make reconciliation within 30 days excluding holidays from the date of issuance of this order to facilitate prudent settlement of CIRP cost from Oct, 2020 to Oct, 2024 at Division level in the presence of one representative from Complainant side must.
- g. In terms of findings under para-44 to para-52, the Complainant is directed to furnish all codal formalities as required for 'Change of Name' in terms of governing electrical provisions within 60 days excluding holidays from the date of issue of this order and deposit Rs.1,56,85,212/- to pay fresh security as raised by the Respondent through Demand Notice dt.30.06.2025 being one of the mandatory requirements as M/s Orissa Metalliks, the Complainant has entered into the shoe of Corporate Debtor as a 'New Consumer' with 'fresh start' in terms of 'clean slate' principle of IBC. Subsequent to this, the Respondent Board must give cognizance for accounting for the 50% amount against the said security amount (fresh Security) that already stands deposited by the Complainant towards Limitation / pre-condition for entertaining the complaint in terms of regulation 33(1)(c) & 33(1)(g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013.
- h. In terms of conclusive findings under para-65 on the contentions of Complainant on adjustment of existing security of Rs.99,46,600/- of Corporate Debtor against the fresh security of Rs.1,56,85,212/- as raised by the Respondent vide Demand Notice dt.30.06.2025, either party is at liberty to approach competent Court of Law and act accordingly thereafter for adjustment as the said Case is governed under the scheme of IBC and the gist of the judgement of Hon'ble



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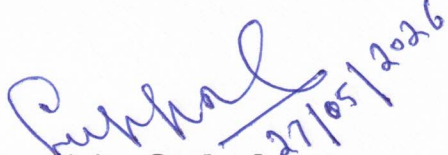
Supreme Court cited by the Complainant at para-B(4) of the Rejoinder, conveys some legal bindings in terms of IBC Scheme.

- i. All stays imposed by this Authority under Regulation 36(1) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 shall be considered vacated after the expiry of above period of 60 days.
- j. No cost to litigation.
- k. In terms of above findings, the Complaint filed by M/s Orissa Metaliks Pvt. Ltd. Village and P.O (Damtal) Tehsil Indora Kangra Distt. Kangra. Pin-176403 along with other associated Applications filed thereof, are hereby disposed of.
- l. The case file is consigned to record room and order is also placed at site as well as conveyed telephonically for the convenience of reference.

Given under my hand and seal of this office.

Dated: 27/05/2026

Shimla


Electricity Ombudsman

