S.No.3

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
29-04-2026 AT 12:40 P.M.

CP(IB) No. 87/9/HDB/ 2024
AND
IA (IBC) 492/2026 in CP(IB) No. 87/9/HDB/ 2024
u/s. 9 of IBC, 2016

IN THE MATTER OF:
M/s. Sanchi Fine Chem Corp.,
by it's Partner Mr. Karun Kumar Agarwal **…Operational Creditor**

AND

M/s. Vivin Drugs & Pharmaceauticals Ltd., by it's M.D., (Formerly knownn as M/s. Eytan Labs Ltd.,) **…Corporate Debtor**

C O R A M:-
SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC) 492/2026

Present: Mr. Shabeer Ahmed, Ld. Counsel for the Applicant.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

Manohar

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1

IA (IBC) No.492/2026

IN

CP (IB) No.87/9/HDB/2024

Under Section 60(5) of IBC, 2016

In the matter of:
VIVIN DRUGS & PHARMACEUTICALS PRIVATE LIMTED

Between
HDFC Bank Limited
Vivin Drugs& Pharmaceuticals Private Limited and the sole member of COC in Vivin Laboratories Private Limited)
Registered Office at Bank House,
Senapati Bapat Marg, Lower Parel, Mumbai-400 013.

… Applicant

AND

Mr.Rajesh Chillale,
Resolution Professional of Vivin Drugs & Pharmaceuticals Private Limited and Vivin Laboratories Private Limited.

… Respondent

Date of order: 29.04.2026

Coram:

SHRI RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

Counsel present:

For the Applicant : Mr. V.V.S.N.Raju, Ld.Counsel

Resolution Professional: Mr.Rajesh Chillale

PER BENCH:
O R D E R

1. The present Interlocutory Application has been filed by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016, seeking substantive consolidation of the Corporate Insolvency Resolution Processes (**CIRP**) of Vivin Drugs & Pharmaceuticals Private Limited (**VDPL**) and Vivin Laboratories Private Limited (**VLPL**), along with consequential directions.

2. Brief facts

2.1 The Applicant is the lead member of the Committee of Creditors (**CoC**) of VDPL with 91.2% voting share and the sole member of the CoC of VLPL with 100% voting share.

2.2 CIRP against VDPL was admitted by this Tribunal vide order dated 11.11.2024, whereas CIRP against VLPL was admitted on 05.02.2026. It is submitted that VDPL is the principal borrower and VLPL is its wholly owned subsidiary and corporate guarantor. The account of VDPL was classified as NPA on 31.05.2024, followed by issuance of recall notice dated 15.07.2024 for an amount of Rs. 54.07 Crores.

2.3 Both Corporate Debtors operate as a single integrated pharmaceutical manufacturing unit over approximately 16 acres, with the plant and machinery of VDPL being situated on land owned by VLPL, rendering

the operations physically, functionally, and commercially inseparable. It is contended that independent resolution of either entity is impracticable.

2.4 Although Expressions of Interest were received in the CIRP of VDPL, the process could not be taken forward due to such interdependence. The CoC of VDPL (in its 8th meeting dated 27.02.2026 with 91.02% voting share) and the CoC of VLPL (in its 1st meeting dated 27.02.2026 with 100% voting share) have unanimously approved filing of the present Application for consolidation.

2.5 It is the case of the Applicant that conducting separate CIRPs would result in value erosion, duplication of costs, and operational inefficiencies, thereby defeating the objective of value maximization under the Code.

2.6 Reliance has been placed on the decision of the Hon'ble Supreme Court in ***K.Sashidhar vs*** Indian ***Overseas Bank,(2019) 12 SCC 150***, that the commercial wisdom of the CoC is paramount and is not to be interfered with, except within the limited scope provided under the Code.

3. We have heard learned counsel for Applicant and perused the record.

4. <u>Findings</u>

4.1 The Insolvency and Bankruptcy Code, 2016 does not expressly provide for substantive consolidation. However, this Tribunal in exercise of its residuary jurisdiction under Section 60(5) and inherent powers under Rule 11, may pass appropriate orders to further the objectives of the Code.

4.2 The concept of consolidation has been recognized in judicial precedents in cases involving group entities with common control, interlinked financial arrangements, and inseparable operations.

4.3 In the present case, it is evident that VDPL and VLPL are intrinsically connected in terms of ownership, financial arrangements, and operational framework:

i. *VDPL is the principal borrower, while VLPL is its wholly owned subsidiary and corporate guarantor.*
ii. *The manufacturing operations of both entities are carried out as a single integrated unit.*
iii. *The plant and machinery of VDPL are situated on land owned by VLPL.*
iv. *The business operations are inseparable and interdependent, both physically and commercially.*

4.4 It is also noted that despite receipt of Expressions of Interest in the CIRP of VDPL, the process could not be taken forward due to the inability to segregate the assets and operations of the two entities.

4.5 The material on record establishes that both entities function as a single integrated unit, with the plant and machinery of VDPL situated on land owned by VLPL, thereby rendering their assets and operations physically and functionally inseparable.

4.6 The interdependence between the Corporate Debtors is such that resolution of one entity in isolation is neither feasible nor value accretive. It is also not in dispute that the CoC of both Corporate Debtors has, with requisite voting majority, approved the present Application.

4.7 In the considered view of this Tribunal, conducting separate CIRPs would:

- *result in value erosion,*
- *lead to duplication of costs, and*
- *render resolution impracticable*

4.8 Therefore, separate CIRPs would be contrary to the fundamental objective of the Code, namely maximization of value of assets. In terms of the law laid down in *K. Sashidhar v. Indian Overseas Bank supra*, the commercial wisdom of the CoC merits due deference and is not to be interfered with except within the limited contours of the Code.

4.9 Further, the Mumbai Bench of this Tribunal in ***State Bank of India v. Videocon Industries Ltd MA 2385/2019 in C.P.(IB)-02/MB/2018***.has dealt with the concept of substantive consolidation by laying down various indicative parameters such as common control, common assets and liabilities, interdependence, interlacing of finances, pooling of resources, and singleness of economic unit. It is well settled that these parameters are illustrative and not exhaustive**,** and need not be cumulatively satisfied. The ultimate test is whether consolidation would facilitate effective resolution and value maximization.

4.10 In the present case, there exists common control and ownership, intertwined financial and operational structure, interdependence of assets and business operations, and impracticability of separate resolution**.**

4.11 Accordingly, we are of the considered opinion that this is a fit case for ordering substantive consolidation of the CIRPs of VDPL and VLPL.

5. Reliefs:

In view of aforesaid discussion, the present Interlocutory Application is allowed, and the following directions are issued:

a) The CIRPs of *Vivin Drugs & Pharmaceuticals Private Limited (VDPL)* and *Vivin Laboratories Private Limited (VLPL)* are hereby substantively consolidated and shall be treated as a single CIRP for all purposes under the Code.

b) The assets and liabilities of both Corporate Debtors shall form part of a *common* pool, to be dealt with collectively for the purposes of resolution.

c) The Resolution Professional, being common in both CIRPs, shall continue to act and ensure that the process is conducted in a manner that maximizes value and preserves the business as a going concern.

d) A combined Committee of Creditors (CoC) shall be constituted, and voting shares shall be determined in accordance with the admitted claims of creditors of both Corporate Debtors.

e) The consolidated CIRP shall proceed from the present stage, and the Resolution Professional shall take steps for issuance of a fresh Form G, if required, to invite resolution plans for the consolidated entity.

f) All claims, applications, and proceedings pending in the respective CIRPs shall stand transferred to and subsumed within the consolidated CIRP.

6. Ordered accordingly. No order as to costs.

SD/-

SANJAY PURI
MEMBER (TECHNICAL)

SD/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)

Pavani