IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT - IV

C.P. (IB) No. 264/MB/2024

[Under Section 10 of the Insolvency and Bankruptcy Code, 2016, r/w. Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.]

In the matter of:

Sulabh Pharmaceutical Pvt. Ltd.

Regd. Office: 102, Royal Apartment, Kasam Baug, opp. Bachani Nagar, Jai Bhavani Lane, Malad (E), Mumbai, MH, India, 400097.

... Corporate Applicant

Pronounced: 23.11.2026

***CORAM*:**

ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

K.R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearances : Hybrid

For the Corporate Applicant : Adv. Manoj Kumar Mishra.

ORDER

1. This Application is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 (Code) read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by Sulabh Pharmaceutical Private Limited (Corporate Applicant/Applicant), seeking initiation of its Corporate Insolvency Resolution Process (CIRP). It is submitted that the Application is preferred owing

to the financial stress faced by the Corporate Applicant, consequent to which it is not in a position to repay the debts due to its creditors.

2. SUBMISSION OF CORPORATE APPLICANT

2.1 The Corporate Applicant was incorporated on 14.03.2012 as a Private Limited Company under the Companies Act, 1956. It is submitted that, during its continued business operations up to 2019, the Applicant Company suffered business losses and defaulted in repaying its dues to one of its Creditors, *viz*., Andhra Bank, which was later merged with Union Bank of India.

2.2 It is submitted that various efforts were undertaken to repay the business dues, but to no avail. Union Bank of India issued a Notice dated 27.05.2022 to take physical possession of the Company's properties in view of the said default under Rule 8 of the Security Interest (Enforcement) Rules, 2022. The Company has an admitted liability to the tune of ₹17,40,31,562/- as on 31.01.2024.

2.3 The Applicant Company submits that it has tried to get rid of the bad patch in business but has found it difficult due to the increased gap between its assets and liabilities. It is therefore stated that, it is in the best interests of the Applicant Company to undergo CIRP under Section 10 of the Code. The requisite Board Resolution dated 20.12.2023 has been annexed to this Application.

2.4 Accordingly, the members of the Applicant Company, in its Extraordinary General Meeting dated 24.01.2024, passed a Special Resolution for taking recourse under Section 10 of the Code for initiation of CIRP of the Applicant Company, and it has been duly annexed with this Application.

2.5 In compliance with the Orders/ directions of this Adjudicating Authority (AA), the Corporate Applicant has furnished the following additional information:

a) Additional Affidavit dated 29.07.2024: Copy of Audited Provisional Financial Statements for F.Y. 2020-21, 2021-22 and 2022-23.
b) Additional Affidavit dated 22.02.2025: Copy of Provisional Balance sheet as on 31.01.2025.
c) Additional Affidavit dated 12.05.2026: List of Litigation in respect of the Applicant Company.

2.6 It is therefore submitted that, in the extant circumstances, CIRP be initiated against the Corporate Applicant.

3. ANALYSIS AND FINDINGS

3.1 We have heard the Ld. Counsel appearing on behalf of the Applicant Company and have perused the materials forming part of the record.

3.2 The Corporate Applicant has enclosed a copy of the Resolution passed by the Board of Directors at the Extraordinary General Meeting held on 24.01.2024 to file an application under Section 10 of the Code. At the meeting of the Board of Directors of the Corporate Applicant held on 20.12.2023, the Board also authorised Mr. Pravinkumar Narayanbhai Prajapati, director of the company, to file the necessary application under the Code before the Tribunal and take necessary actions in matters connected with this Application.

3.1 It is stated in Part III of the Application that the amount of debt as on 31.01.2024 is ₹17,40,31,562/-, owed to eight Financial Creditors, and that the Applicant Company has no Operational Creditors. The Corporate Applicant has furnished copies of the Audited Financial Statements of the Corporate Applicant for the past four years, i.e., 2020-2021, 2021-2022, 2022-2023, 2023-2024, and provisional Balance Sheet of the Corporate Applicant as on 31.01.2025. We observe that the Corporate Applicant is in default of debt, which is also evidenced by the books of account placed on record. It is also seen from the Audited Financial Statements that the Corporate Applicant has no income and is also having substantial losses.

It has been submitted by the Applicant that there are two pending litigations against the Corporate Applicant, before Ld. MM Court, Calcultta, and DRT, Mumbai - II.

3.2 This Application is filed as per Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 in Form-6. Required information is also furnished therein. The Financial Statements placed on record acknowledge the existence of debt and default by the Applicant. As per Part III of the Application, the debt outstanding as on 31.01.2024 has been incurred qua Union Bank of India (erstwhile Andhra Bank) w.e.f. 15.03.2019.

3.3 Section 10 of the IBC provides for a corporate applicant to file application for initiating insolvency resolution process if it is in default. The same default amount of One Crore Rupees, specified under Section 4 of the Code, is applicable to a corporate applicant under Section 10 also. In view of the above, we conclude that the present Corporate Applicant has committed default of more than the specified amount under the IBC.

3.4 The Corporate Applicant has suggested the name of Mr. Mukesh Kumar Jain, having Registration No. IBBI/IPA-003/N-00471-C01/2018-2019/11944 for appointment as the Interim Resolution Professional (IRP). It is however noticed that Mr. Jain's Authorization for Assignment is invalid, with no subsequent renewal. The Corporate Applicant has proposed a new IRP by Additional Affidavit dated 23.07.2025, viz., Mr. Anil Kashi Drolia, having Registration No. IBBI/IPA-001/IPP-02327/2020-2021/13482. The proposed IRP has also submitted his Consent in Form 2 dated 10.01.2025, confirming eligibility and that there are no disciplinary proceedings pending against him.

3.5 After hearing the submissions and upon perusing the supporting documents, we are of the considered view that the Application made by the Corporate Applicant is complete in all respects as required by law. Hence, the present Application deserves to be admitted.

ORDER

4. Resultantly, the present application bearing C.P.(IB) No. 264/MB/2024 is **admitted**, and Corporate Insolvency Resolution Process stands initiated against **Sulabh Pharmaceutical Private Limited**.

We further declare moratorium under Section 14 of the IBC with consequential directions as mentioned below:

I. We prohibit-

a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

b) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

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 SARFAESI Act;

d) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

II. That the supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;

III. That the moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

IV. That public announcement regarding the CIRP of the Corporate Debtor shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

V. That the Bench appoints **Mr. Anil Kashi Drolia**, having Registration No. IBBI/IPA-001/IP-P-02327/2020-2021/13482, with registered address at B-508, *Ekta Woods, Raheja Estate ,Kulupwadi, Borivali-East ,Near National Park ,Mumbai Suburban ,Maharashtra ,400066*, Email Id: anildrolia.ip@gmail.com; as the IRP of the Corporate Debtor to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated under Sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency and Bankruptcy Board of India (IBBI), as may be applicable.

VI. During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

VII. In exercise of the powers conferred by Rule 11 of NCLT Rules, we order that the Corporate Applicant shall deposit a sum of Rs. 3,00,000/- (Three Lakh Rupees) with the IRP, if demanded by the IRP, to meet the initial CIRP cost arising out of issuing public notice, inviting claims, etc. These expenses are subject to approval by the Committee of Creditors (CoC). The amount so deposited shall be interim finance and paid back to the FC on priority upon the funds available with IRP/RP.

VIII. The Registry is directed to communicate this Order to the Corporate Applicant and the IRP by Speed Post and email immediately, and in any case, not later than **two** days from the date of this Order.

IX. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven** days from the date of receipt of a copy of this order.

X. An electronic version of this Order shall also be sent to IBBI for information and record.

XI. Ordered accordingly.

Sd/-

ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sd/-

K. R. SAJI KUMAR
MEMBER (JUDICIAL)