



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

IA(IBC)/122/KOB/2026

IN

CP(IB)/29/KOB/2022

*(Under Section 60(5) of IBC, 2016,
read with Rule 11 of the NCLT Rules,
2016)*

Date of Institution:20.02.2026

Order Delivered on:28.07.2026

In the matter of:

***M/s. VYSALI PHARMACEUTICALS PRIVATE
LIMITED***

Memo of Parties:

1. Mr. Devassykutty C.R.

Chethalan House, Changampuzha Cross Road,
Edappally P.O., Ernakulam Dist 682 024
Email-devassykutty2026@gmail.com

2. Mrs. Arathy Raju

Chattupadath, Thaikattukara, Aluva P.O,
Ernakulam District, PIN 683106.

3. Mrs. Mary Antony

Kozhuvilly House, Ponekkara AIMS P O,
Ernakulam – 682 041.

4. Mr. Hussain C M

Cheeranankudiyil House, Kuzhivelippady
Edathala P O, Ernakulam 683 561.

5. Mr. Supran T C

Thambalakkad House, Edathala P O Aluva,
Ernakulam, 683 561.

6. Mrs. Salini

Mundokandathil House, Panchayath Road
Edathala P O, Ernakulam 683 561.



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- 7. Mrs. Sheela Velappan**
Kannimolath House, VKC PO, Thevakkal,
Ernakulam 682 021.
- 8. Mrs. Safia Marakkar**
Thambalakkat House Kuzhivelipadi,
Edathala P O, Ernakulam 683 561.
- 9. Mrs. Shanty Joseph**
Thavarnayil House, Pukkattupady
Edathala P O, Ernakulam 683 561.
- 10. Mr. Joseph Benedict**
Puthiyaveettil House, Kumbalaparambu Road
AIMS Ponekkara PO, Ernakulam 682 041.
- 11. Mrs. Sheela V K**
Perayil House, Kuzhivelipady,
Edathala P O, Ernakulam 683 561.
- 12. Mrs. Aysabeevi**
Choorakotayilmoola House, Edathala P O,
Ernakulam 683561
- 13. Mrs. Nassema Parcekutty**
Athanikkal House, Kuzhivelipady
Edathala P O, Ernakulam 683 561.
- 14. Mrs. Asiya Abdul Khadir**
Pulimoottil, Panchayath Road,
Ernakulam 683 561.
- 15. Mrs. Suhara Latheef**
Marottikkal House, Panchayath Road
Edathala P O, Ernakulam 683 561.
- 16. Mrs. Bushara PA**
Ethiparambil House, Thevakkal,
Aluva, Ernakulam 682 021.
- 17. Mrs. Geethadevi**



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Harisree, Eloor South, Udyogamandal P O.
Ernakulam 683 501.

- 18. Mr. Shaju John C**
Chamavallappil House Potta P O, Chalakudy
Thrissur 680722
- 19. Mr. Salim M M**
Marottickal House Edathala P O,
Ernakulam 683 561.
- 20. Mrs. Rajalekshmi S**
Rajalekshmi Bhavan, Palanchery
Puklkattupdy, Ernakulam - 683561
- 21. Mrs. Jameela K B**
Thambalakkad House Kuzhivelipady,
Edathala P O Ernakulam 683561
- 22. Mrs. Solly Paul**
Neelamkavil House, K K Road
Chembumukk, Thrikkakkara P O
Ernakulam 682 021.
- 23. Mrs. Sherly Devassi**
Chethalan House, Changampuzha Cross
Road, Edapally 682024
- 24. Mr. Prakash R**
Pranavam House, Elamkulam
Kaloor PO, Ernakulam 682 017.

.... **Applicant Nos. 1 to 24**

Vs.

- 1. Mr. Kizhakkekara Kuriakose Jose**
Liquidator of Corporate Debtor
M/s Vysali Pharmaceuticals Ltd
IX/639 Vysali Road, Edathala P.O.,
Ernakulam, Kerala 683 561
Email-kkjoseca@gmail.com
- 2. M/s Vysali Pharmaceuticals Ltd**
Represented by Liquidator IX/639



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Vysali Road, Edathala P.O.,
Ernakulam, Kerala 683 561
Email- vysalipharma2023@gmail.com

... Respondents

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearance:

For the Applicants : Mr. M A Shaji, Advocate

For the Respondents/Liquidator : Mr. Vinod P V, Advocate

ORDER

Per Coram

1. This Application has been filed under Section 60(5) of the IBC, 2016, read with Rule 11 of the NCLT Rules, 2016, seeking directions for the protection of the workmen's employment and statutory dues.
2. The present application has been filed in the names of 24 persons, shown as applicants against the Corporate Debtor, represented through the Liquidator, seeking certain reliefs detailed as under:

"a. Direct the Respondent-Liquidator to verify, admit and communicate to each of the Applicants the status and quantum of their claims submitted in Form D during CIRP and treat the same as claims in liquidation;

b. Direct the Respondent to pay wages and salary dues for the period during which the Corporate Debtor had run as a going concern during liquidation, treating the same as liquidation cost;



c. Declare and direct that amounts due towards provident fund, pension fund and gratuity fund of the workmen/employees shall not form part of the liquidation estate and shall be fully protected;

d. Direct the Respondent to make provision for payment of pending salary, wages, gratuity and PF dues of the Applicants before or at the time of completion of sale;

e. Direct that any sale of the Corporate Debtor as a going concern shall be subject to appropriate conditions safeguarding continuity of employment of existing workmen/employees, to the extent legally permissible;

f. Pass such other and further orders as this Hon'ble Tribunal may deem fit and proper in the interest of justice and protection of workmen."

3. The applicants claim to be workmen/employees of the Corporate Debtor and submit that they have furnished and rendered their services during the CIRP period and subsequently during the liquidation period. However, they have not received their wages for such services. They have also pleaded that their gratuity and Provident Fund are required to be distributed. The workmen and their families are in dire financial crisis.

Brief Facts of the Case:

4. The Corporate Debtor, M/s. Vysali Pharmaceuticals was admitted into the Corporate Insolvency Resolution Process (CIRP) pursuant to an application filed by M/s. Kerala State Industrial Development Corporation under Section 7 of the IBC, 2016, numbered as CP(IB)/29/KOB/2022 before this Adjudicating Authority and the same was admitted vide order dated 13.10.2023, and the Interim Resolution Professional was appointed. Ultimately, due to non-approval of any feasible Resolution Plan, the Committee of Creditors (COC) decided to proceed with liquidation, and vide



order dated 03.12.2024, this Adjudicating Authority passed a liquidation order and appointed Shri K. K. Jose as the Liquidator.

5. The Liquidator initially intended to sell the Corporate Debtor as a going concern and accordingly put the Corporate Debtor up for auction. However, despite several attempts, no bidder came forward to purchase it as a going concern. In the meantime, the IBBI notified an amendment to the IBBI (Liquidation Process) Regulations, 2016, which barred the sale of the Corporate Debtor as a going concern during the liquidation period. Accordingly, the Liquidator decided to sell the assets on a stand-alone basis. During the liquidation period, the workmen also requested the Liquidator to fulfil certain contractual obligations relating to their salary dues.
6. The applicants stated that, despite rendering services during the liquidation period, the proposed sale of the assets would adversely affect the continuity of employment of the workmen and employees, the payment of their pending wages and salary dues, together with statutory dues, including gratuity and Provident Fund, as well as the wages accrued during both the CIRP period and the liquidation period. The applicants have serious apprehensions that the proposed sale, without appropriate safeguards and directions regarding the payment of their wages, salaries, and other dues, would prejudice their rights.
7. It is pleaded that the workmen's dues for the period of twenty-four months preceding the liquidation commencement date rank high in the waterfall mechanism under Section 53 of the IBC, 2016. Further, statutory dues, namely Provident Fund, Pension Fund, and Gratuity Fund amounts, are liable to be excluded from the liquidation estate and cannot be appropriated for distribution to other stakeholders. In the event the Corporate Debtor is run



as a going concern during liquidation, the costs incurred for running the business, including wages and salaries, form part of the liquidation cost and are payable in priority.

8. It is further submitted that the total wages/salary payable to the workmen/employees during the liquidation period from 04.12.2024 till 31.12.2025 amount to Rs.71,25,315/- (Rupees Seventy-one Lakhs Twenty-five Thousand Three Hundred and Fifteen only), out of which a sum of Rs.40,99,847/- (Rupees Forty Lakhs Ninety-nine Thousand Eight Hundred and Forty-seven only) has been paid, leaving a balance of Rs.30,25,468/- (Rupees Thirty Lakhs Twenty-five Thousand Four Hundred and Sixty-eight only). Due to the non-payment of the balance wages/salary by the Liquidator, the applicants are facing severe financial hardship.
9. The Respondents entered appearance and filed their reply. They primarily objected to the maintainability of the present application, contending that although it has been filed in the names of 24 applicants, it has been signed by only one person. There is neither any power of attorney nor any affidavits authorising the signatory to file the application on behalf of the other applicants. Therefore, the application, as filed, is not maintainable and is liable to be dismissed. Further, the first relief sought is to direct the Liquidator to verify, admit, and communicate to each of the applicants the status and quantum of the claims submitted during the CIRP and to treat the same as claims in liquidation.
10. It is submitted on behalf of the Respondents that, under Regulation 12(2)(c) of the IBBI (Liquidation Process) Regulations, 2016, where no fresh claim is submitted pursuant to the public announcement during liquidation, the Liquidator is required to consider the claims submitted during the CIRP. By



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virtue of the said provision, the Liquidator has admitted all the claims of the applicants, which are as under:

Sl No	Name of Employee	Amount Claimed	Claimed amount admitted	Claimed amount not admitted
22	DEVASSYKUTTY C.R	23,88,985	19,76,877	4,12,108
25	ARATHY RAJU	5,47,122	4,72,491	74,631
14	MARY ANTONY	7,45,884	5,82,893	1,62,991
6	HUSSAIN C.M	5,89,755	4,94,383	95,372
10	SUPRAN.T.C	6,20,466	5,39,928	80,538
16	SALINI C.S	5,14,314	3,66,513	1,47,801
24	SHEELA VELAPPAN	48,70,057	42,05,883	6,64,174
8	SAFIYA P.K	5,66,241	4,73,709	92,532
11	SHANTI JOSEPH	1,71,543	1,17,986	53,557
7	JOSEPH BENEDICT P.G	3,67,771	2,61,139	1,06,632
5	SHEELA V	5,68,250	4,61,649	1,06,601
3	AYISHA BEEVI	2,16,880	1,46,671	70,209
12	NASEEMA P.P	2,04,024	1,42,614	61,410
9	ASIYA ABDULKHADER	5,18,163	4,35,958	82,205
2	SUHARA K.C	2,51,320	1,56,735	94,585
4	BUSHARA P.A	2,18,852	1,57,762	61,090
18	GEETHA DEVI	10,77,739	8,29,047	2,48,692
23	SHAJU JOHN C	33,14,455	27,74,172	5,40,283
13	SALIM M.M	6,12,207	5,57,485	54,722
20	RAJALEKSHMI S	8,88,272	6,84,617	2,03,655
1	JAMEELA K.B	2,67,978	1,78,070	89,908
15	SOLLY PAUL	6,80,496	6,16,932	63,564
17	SHERLY DEVASSY	4,69,654	3,83,698	85,956
21	PRAKASH R	17,94,776	15,61,293	2,33,483

11. Further, it is submitted that the second relief sought is to direct the Liquidator to pay wages/salaries for the period during which the Corporate Debtor was run as a going concern by treating the same as liquidation cost. In the reply, the Liquidator has not denied the status of the applicants. It has also been admitted that the applicants rendered services during the liquidation period and that the wages payable for such services would be treated as liquidation costs. Accordingly, at the appropriate stage, distribution shall be made in accordance with Section 53 of the IBC, 2016.



12. The Liquidator has also not denied the legal and factual liability towards the Provident Fund, Pension Fund, and Gratuity. However, it is the stand of the Liquidator that the same shall be distributed in accordance with the relevant provisions of the IBC, 2016, and the Regulations framed thereunder.

FINDINGS:

13. We have heard both sides and perused the documents available on record.

14. The primary objection raised by the Liquidator relates to the *locus* of one applicant to file the present application on behalf of the remaining applicants and the maintainability of the application as filed. There is no dispute that all the 24 persons were employees of the Corporate Debtor and that their services were terminated during the liquidation process.

15. It is also undisputed that all the said 24 applicants have not filed this IA in their individual capacities. It is further undisputed that the Vakalat has been signed only by one of the applicants. It is also not in dispute that there is no authority or power of attorney executed by the other applicants in favour of the signatory.

16. Having considered these facts, we are of the opinion that, in the absence of any specific authorisation, authority, or power of attorney in favour of the signatory, the other applicants would not be bound by any action taken by the signatory. Since they may rely on the acts done by the signatory, which would not be binding upon them, it would not be appropriate for this Adjudicating Authority to permit the signatory to continue with this IA on behalf of the other applicants.



17. At the same time, it is evident that the signatory is not claiming any relief that would prejudice the individual rights of the other 23 persons. The claims are more or less common in nature and merely seek enforcement of rights already recognised under the IBC, 2016, and the Regulations framed thereunder.
18. Although the application, insofar as it relates to the other 23 applicants, suffers from a legal defect, the signatory is competent to maintain this application and seek the reliefs on his own behalf. Therefore, the application, in toto, cannot be dismissed. Keeping in view the nature of the reliefs claimed, the objectives of the IBC, 2016 and the status of the applicants as workmen, we feel it is just and fair to entertain this IA at least insofar as the signatory applicant is concerned. We also expect that the Liquidator would do the needful for all similarly situated claimants in accordance with law and in terms of this order.
19. The Liquidator has also filed a memo during the pendency of this Application. In the said Memo, the Liquidator has disclosed the sale as part of the assets, realisation of money and the distribution made under Section 53(1) of the IBC, 2016, with priority given to the payment of the salaries of the workmen/employees working during the liquidation. The said Memo clearly reflects that the Liquidator is already taking care of the employees/workmen as required and expected under the provisions of the IBC, 2016. It would be appropriate to reproduce the Memo so filed verbatim:

"1. The Respondent No. 1 is the Liquidator of the Corporate Debtor, Vysali Pharmaceuticals Limited, Respondent No.2 herein.

2. It is submitted that this Hon'ble Tribunal on 07.07.2026 permitted to file a Memo regarding the status of the distribution made by the Liquidator as on date.



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3. It is submitted that the Liquidator has conducted auction of the plant and machinery on 17.04.2026 and received an amount of Rs 47,45,345/-on 15.06.2026 from the auction purchaser. The Liquidator has carried out the distribution of the said amount under Section 53(1) giving priority on payment to the salary of workers and employs worked during the period of Liquidation, when the Corporate Debtor was continuing as a going concern.

4. Accordingly, the Liquidator has distributed the following amount to the 27 employees worked during the period of liquidation, which includes the petitioners herein:

	Name of the Worker / Employee	Liquidation Period Salary payable	Amount Distributed/Paid up to 26.06.2026	Amount Distributed/Paid on 26.06.2026	Amount Distributed/Paid on 01.07.2026	Total Amount Paid	Balance Payable
1	JAMEELA IBRAHIM	2,53,704	1,37,635	81,480	25,100	2,44,215	9,489
2	SUHARA.K.C	2,22,242	1,26,200	67,190	20,940	2,14,330	7,912
3	BUSHARA.P.A	2,28,233	1,28,131	70,686	21,350	2,20,167	8,066
4	SHEELA V.	2,67,901	1,43,906	86,698	27,070	2,57,674	10,227
5	JOSEPH BENEDICT	2,84,676	1,65,863	90,299	20,690	2,76,852	7,824
6	SAFIA P.K	2,84,668	1,48,599	94,639	30,070	2,73,308	11,360
7	ASIYA ABDULKHADER	2,78,014	1,46,617	91,390	29,030	2,67,037	10,977
8	SHANTI JOSEPH	2,16,455	1,22,302	65,486	20,800	2,08,588	7,867
9	NASEEMA.P.P	2,15,435	1,28,702	61,153	18,560	2,08,415	7,020
10	AYISHA BEEVI	2,14,723	1,22,670	64,025	20,340	2,07,035	7,688
11	SUPRANT.C	3,42,636	1,76,107	1,22,312	32,100	3,30,519	12,117
12	HUSSAIN.C.M	3,45,377	1,71,290	1,22,891	37,150	3,31,331	14,046
13	SALIM.M.M	2,86,258	1,64,118	95,401	19,400	2,78,919	7,339
14	MARY ANTONY	3,06,296	1,60,385	1,04,585	30,000	2,94,970	11,326
15	SOLLY PAUL	1,98,024	1,51,748	32,852	9,740	1,94,340	3,684
16	SALINI C.S	3,20,736	1,63,301	1,11,269	33,500	3,08,070	12,666
17	SHERLY DEVASSY	3,17,572	1,63,301	1,09,069	32,800	3,05,170	12,402
18	ARATHY RAJU	3,86,841	1,97,081	1,37,207	38,140	3,72,428	14,413
19	GEETHA DEVI	4,37,021	1,97,830	1,70,305	49,990	4,18,125	18,896
20	RAJALEKSHMI S.	5,32,440	2,33,200	2,15,935	60,450	5,09,585	22,855
21	PRAKASH R.	5,64,246	2,37,800	2,31,584	68,840	5,38,224	26,022
22	DEVASSYKUTTY C.R	6,02,096	2,50,559	2,53,546	71,110	5,75,215	26,881
23	SHAJU JOHN C	7,76,077	2,95,864	3,51,889	93,120	7,40,873	35,204
24	SHEELA VELAPPAN	8,42,871	3,06,617	3,88,840	1,06,980	8,02,437	40,434
25	RAMACHANDRA N.M	1,48,328	51,166	67,579	21,470	1,40,215	8,113

26	BIJITHA SREEVALSAN	1,44,428	54,361	63,056	19,600	1,37,017	7,411
27	CHANDRASEKHARAN	4,19,837	2,13,800	1,48,634	41,660	4,04,094	15,743
	TOTAL	94,37,135	45,59,153	35,00,000	10,00,000	90,59,153	3,77,982

5. The balance remaining is only Rs.3,77,982/- towards the salary during the period of Liquidation, which will be paid upon sale of the balance assets of the Corporate Debtor.



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6. Hence, it is respectfully submitted that the above memo may be taken on record in the interest of justice."

20. The Liquidator has duly addressed the concerns raised by the applicants in this application, and it is evident from the above memo that upon realisation of the money from the asset, the liquidator has/shall carry out the distribution of the amount in accordance with law. It is further expected that the Liquidator shall take the necessary steps at the appropriate stage in terms of the reply filed and distribute the amounts due in accordance with the provisions of the IBC, 2016 and the Rules and Regulations framed thereunder.

21. As regards the arguments advanced to secure the claimants, the Liquidator cannot sell the Corporate Debtor as a going concern. Therefore, it would not be appropriate to grant such a relief. Although the services of the applicants were availed during the liquidation period, upon the passing of the liquidation order, the employment of all the employees stood terminated. Nevertheless, the Liquidator is bound to pay wages/salaries to the workmen for the services rendered during the liquidation period by treating the same as liquidation costs.

22. Further, no permission can be granted to continue the operations once it has been decided in liquidation to sell the Corporate Debtor by way of auction, other than as a going concern. The decision of the CoC is paramount, and the terminated employees have no locus to dictate terms to the Liquidator or seek such relief at this stage.

23. In view of the above observations, **IA(IBC)/122/KOB/2026 in CP(IB)/29/KOB/2022 stands disposed of.**



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24. The Registry is directed to send e-mail copies of this order forthwith to all the parties and their counsel for information and for taking necessary steps.
25. Let the certified copy of this order be issued upon compliance with the requisite formalities.
26. File be consigned to records.

Sd/-
RAVICHANDRAN RAMASAMY
(MEMBER TECHNICAL)

Sd/-
VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 28th day of July, 2026.

JL/Steno
*A**