S.No.03

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
06.11.2026 AT 10:30 A.M.

IA (IBC) 1398/2026 in
CP (IB) 304/7/HDB/2022
U/s 7 of IBC

IN THE MATTER OF:
Union Bank of India

…Petitioner/s

Vs
Panduranga Energy Systems Pvt Ltd

…Respondent/s

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

O R D E R

IA (IBC) 1398/2026

Present: Mr. GP Yash Vardhan, Ld. Counsel for the Applicant.

Mr. Venkat Narsinga Rao Kalvakota, Resolution Professional.

Orders pronounced, recorded vide separate sheets.

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

Sd/- **Sd/-**
MEMBER(T) **MEMBER(J)**

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
I.A. (IBC) No.1398 of 2026
IN
CP (IB) No. 304/7/HDB/2022

IN THE MATTER OF:
M/s. PANDURANGA ENERGY SYSTEMS PRIVATE LIMITED

MR. KALVAKOTA VENKAT NARSINGA RAO,
Resolution Professional of
M/s. Panduranga Energy Systems Private Limited and
M/s. GMP Infrastructure Private Limited,
IBBI Registration No.: IBBI/IPA-001/IP-P-01361/2018-2019/12130,
Having office at: Flat No. 103, Balaji Vishwam Vihar Apartment,
Madhuranagar, Ramanthapur, Hyderabad – 500 013, Telangana.

... Applicant / Common Resolution Professional

IN THE MATTER OF:

UNION BANK OF INDIA

... Financial Creditor

VERSUS

M/s. PANDURANGA ENERGY SYSTEMS PRIVATE LIMITED

... Corporate Debtor

Date Of Order: 06.11.2026

CORAM:

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

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

Counsels Present:

Mr. GP Yash Vardhan, Ld. Counsel for the Applicant.
Mr. Venkat Narsinga Rao Kalvakota, Resolution Professional.

ORDER

1. The present Interlocutory Application has been filed by the Applicant/common Resolution Professional (**RP**) of M/s. Panduranga Energy Systems Private Limited (**PESPL**), the principal borrower, and M/s. GMP Infrastructure Private Limited (**GMP**), its corporate guarantor (together, the **CDs**), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (**Code**) read with Rule 11 of the NCLT Rules, 2016. It seeks to consolidate the Corporate Insolvency Resolution Processes (**CIRP**) of both CDs, and a direction that the common RP continue to conduct the consolidated CIRP in accordance with law.

Application

2. M/s. Union Bank of India initiated CIRP against PESPL on account of its default in repayment of the financial facilities availed by it, pursuant to which the petition was admitted on 05.02.2026 in CP (IB) No. 304/7/HDB/2022. The Bank also initiated CIRP against GMP in respect of the very same financial facilities, on the basis of the corporate guarantee furnished by GMP and the mortgage created by it over its immovable properties as security therefor. The said petition was likewise admitted on 05.02.2026 in CP (IB) No. 306/7/HDB/2022.

3. The CoCs in both CIRPs comprise the same financial creditors, namely, Union Bank of India, Indian Bank, and Canara Bank, with identical voting shares and admitted claims aggregating to Rs. 2,131.68 crore in each CIRP:

Financial Creditor	**Admitted claim (Rs. crore)**	**Voting share**
Union Bank of India	937.31	43.97%
Indian Bank	891.53	41.82%

Canara Bank	302.84	14.21%
Total	**2,131.68**	**100%**

4. The Applicant submits that, as PESPL is the Principal Borrower and GMP is the Corporate Guarantor in respect of the same financial facilities, the financial debt admitted in both CIRPs represents "one and the same underlying debt". It is asserted that Allahabad Bank, an original consortium member, no longer appears separately because its exposure now stands with Indian Bank following their amalgamation effective April 2020.

5. It is asserted that Applicant issued separate Form G invitations for Expressions of Interest in both CIRPs on 06.04.2026. Meanwhile, the CIRP period of PESPL was extended by 90 days by order dated 14.08.2026.

6. The Applicant asserted that PESPL had set up a 116 MW gas-based power plant at Annadevarapeta Village, Andhra Pradesh, and the said project was implemented by 2011. However, it contended that the commercial operations never began for want of natural gas, and the plant remains stranded. Also, PESPL's plant and machinery stand on land belonging to GMP, as the GMP had leased its land (Ac. 134.59) to PESPL under a Deed of Lease[1] executed on 29.04.2010 and subsequently supplemented[2] on 05.05.2010. Thereafter, out of the (Ac. 134.59) 132.12 cts was converted to non-agricultural use on GMP's application, by proceedings[3] of the Revenue Divisional Officer, Kovvur dated 03.08.2010. About 25 acres are occupied by the plant and machinery, including the area specified for Gas Authority of India Limited (GAIL), and about 10 acres by the reservoir. The value of

[1] Annexure 8
[2] Annexure 9
[3] Annexure 10

PESPL's plant and machinery is stated to be substantially higher than that of the land.

7. It is stated that the lease runs for an initial 25 years and restricts use of the land to the power project and incidental purposes. GMP expressly agreed to permit mortgage of the land and the assets on it to secure project finance. The land (Ac. 132.12 cts) stands directly mortgaged by GMP to the lending consortium, independently of GMP's Corporate Guarantee Deed[4] dated 20.12.2010 and subsequently amended[5] on 24.07.2014.

8. According to the Applicant, the location of PESPL's plant on GMP's land creates direct physical and commercial interdependence. A separate disposal of the plant and machinery would raise issues of access to the land and common infrastructure and might require dismantling and relocation, reducing realisable value. The 7th CoC meeting of PESPL recorded that, as PESPL does not own the land, its plant and machinery have limited standalone value and no standalone resolution plan is commercially viable. GMP's land and buildings, by contrast, are an asset of substantial value capable of attracting resolution applicants.

9. The Applicant further states that the CDs were under common promoter control, namely Late Sri Ch. Panduranga Reddy and Smt. K. Madhavi, who were directors of both. Smt. K. Madhavi continues on the suspended Board of PESPL. GMP was PESPL's holding company, with a majority shareholding recorded at about Rs. 131.5 crore before dilution under the 2016-17 Strategic Debt Restructuring. The Deed of Lease was itself executed for GMP by Sri Ch. Panduranga Reddy as Director.

[4] Annexure 11
[5] Annexure 12

10. The Applicant relies on inter-company and security linkages disclosed in the financial records. These include GMP's investment in PESPL, lease-related balances and transactions, the guarantees and the direct mortgage. The Deed of Lease required PESPL to pay GMP a refundable deposit of Rs. 40 crore. By the Supplemental Deed of Lease dated 05.05.2010, this was treated as GMP's equity investment, against which PESPL was to allot 40,00,000 equity shares of Rs. 100 each (including a premium of Rs. 90 per share). GMP's draft financial statements for the period ended 05.02.2026 classify its Rs. 126.64 crore investment in PESPL under "Investment in Subsidiaries".

11. The Applicant therefore says it is "one and the same debt". Futher, states that this application is moved so that the resolution process may proceed on a "legally coherent consolidated basis", including by a fresh Form G if the Tribunal considers it necessary.

12. It is further stated that the common RP enables coordinated conduct and avoids duplication of process costs, information collection, valuation and resolution activity. The CIRP costs of both CDs are funded by the same financial creditors in the same proportion and placed before the same members for approval.

13. The CoC of PESPL, at its 7th meeting on 20.08.2026, deliberated on the fact that the plant sits on GMP's land and considered that separate resolution plans may not maximise value. By e-voting concluded on 01.09.2026, with 100% voting share, it authorised the Applicant to file an application for a combined Form G for PESPL and GMP, with consequential steps. The CoC of GMP, at its 7th meeting on 15.09.2026, likewise authorised the Applicant to file this application.

14. The Applicant relies on Section 25 read with Sections 60(5) and Rule 11 empowers the RP to seek directions for viable resolution of interdependent CIRPs, as consolidated resolution plans are not expressly prohibited. Further, refer to Section 59A, though inserted by

the 2026 Amendment Act, is not yet in force and contemplates procedural coordination, not pooling of assets and liabilities.

15. The Applicant relies on the cases of ***Jitender Arora, RP v. Tek Chand***[6] (Hon'ble NCLAT), ***Oase Asia Pacific Pte. Ltd. v. Axis Bank Ltd***[7] (Hon'ble NCLAT), ***Giriraj Enterprises v. Regen Powertech Pvt. Ltd***[8] (Hon'ble NCLAT) and ***State Bank of India v. Videocon Industries Limited***[9] (NCLT, Mumbai).

16. The Applicant also relied on this Tribunal's decision in ***HDFC Bank Ltd. v. Rajesh Chillale, RP of Vivin Drugs & Pharmaceuticals Pvt. Ltd***[10]., where the Corporate Debtors were found intrinsically connected and the principal borrower's plant and machinery were situated on the corporate guarantor's land. Substantive consolidation was directed, with a common pool of assets and liabilities, a combined CoC, the common RP continuing and a fresh Form G if required, giving due deference to the commercial wisdom of the CoC as per *K. Sashidhar*[11].

17. It is submitted that the CoC of PESPL, comprising the very financial creditors constituting the CoC of GMP, has, in its commercial wisdom and with 100% voting share, concluded that separate resolution plans may not achieve optimal value maximisation and authorised the present course. The CoC of GMP has likewise authorised the application.

18. The present case involves demonstrable physical and commercial interdependence of the principal assets, common financial creditors, common security and guarantee arrangements, historical common control and management, and a concrete risk of value erosion.

[6] Company Appeal (AT) (Ins.) No. 1069 of 2020, decided 18.11.2021.
[7] Company Appeal (AT) (Insolvency) No. 783 of 2020, decided 26.02.2021
[8] Company Appeal (AT) (CH) (Ins.) No. 323 of 2021, decided 31.08.2023
[9] MA No. 1306 of 2018 in CP No. 02 of 2018, order dated 08.08.2019
[10] IA (IBC) No. 492/2026 in CP (IB) No. 87/9/HDB/2024, order dated 29.04.2026
[11] K. Sashidhar v. Indian Overseas Bank, (2019) 12 SCC 150

Consolidation would advance the Code's objectives of value maximisation, effective reorganisation and time-bound resolution. Accordingly, this is a fit case for substantive consolidation with consequential procedural directions.

FINDINGS

19. We have heard the Applicant and perused the record. The question is whether the CIRPs of PESPL and GMP should be consolidated, so that the resolution process proceeds on a combined basis.

20. The Code does not expressly provide for substantive consolidation of the Corporate Insolvency Resolution Processes of two Corporate Debtors. However, this Tribunal, in exercise of its residuary jurisdiction under Section 60(5) of the Code, read with its inherent powers under Rule 11 of the National Company Law Tribunal Rules, 2016, may pass appropriate orders to further the objectives of the Code.

21. The concept of consolidation has been recognised in judicial precedents in cases involving group entities having common control, interlinked financial arrangements and inseparable operations. The parameters for considering substantive consolidation have, inter alia, been laid down in ***State Bank of India & Anr. v. Videocon Industries Limited & Ors.***, MA No. 1306 of 2018 in CP No. 02 of 2018 and connected matters, decided on 08.08.2019.

22. In the present case, it is evident from the record that M/s Panduranga Energy Systems Private Limited and M/s GMP Infrastructure Private Limited are intrinsically connected in terms of ownership, financial arrangements and operational framework, having regard to the following circumstances:

    a. PESPL is the Principal Borrower, whereas GMP is the Corporate Guarantor in respect of the financial facilities availed by PESPL.

b. The plant and machinery of PESPL, comprising the 116 MW gas-based power plant, are situated upon and installed on land belonging to GMP, which was leased by GMP to PESPL under the Deed of Lease dated 29.04.2010.

c. The business operations and assets of the two Corporate Debtors are inseparable and interdependent, both physically and commercially, inasmuch as the plant and machinery of PESPL are situated on the land belonging to GMP, and the land, together with the buildings and common infrastructure, is essential for the effective utilisation and resolution of the power project.

d. The land belonging to GMP, admeasuring Ac. 132.12 cts, is also directly mortgaged in favour of the lending consortium as security for the financial facilities availed by PESPL, in addition to the corporate guarantee furnished by GMP.

e. Both Corporate Debtors were under common promoter control and management, with GMP having held a majority shareholding in PESPL and being its holding company at the relevant time.

f. The Committees of Creditors of both Corporate Debtors comprise the same financial creditors, namely Union Bank of India, Indian Bank and Canara Bank, having identical voting shares of 43.97%, 41.82% and 14.21%, respectively, and identical admitted claims aggregating to Rs. 2,131.68 crore in each CIRP.

g. The financial debt admitted in both CIRPs arises from the very same financial facilities availed by PESPL, with GMP having furnished the corporate guarantee and created the mortgage in respect thereof.

23. The inter-dependence between the Corporate Debtors is such that resolution of PESPL in isolation, without the underlying land belonging to GMP, would raise issues concerning continued access to and use of the land and common infrastructure, thereby affecting the realisable value of the plant and machinery. Similarly, separate resolution of GMP, without considering the plant and machinery of PESPL situated on its land, may not result in optimal value maximisation.

24. Here we refer to the decision of the Hon'ble NCLAT in ***Jitender Arora, Resolution Professional v. Tek Chand & Anr.*, Company Appeal (AT) (Ins.) No. 1069 of 2020**, decided on 18.11.2021, wherein the issue of joint CIRP involving a Corporate Debtor/Developer and a separate

landowning company was considered. The Hon'ble NCLAT noticed the parameter of common assets, including the instance where one company had leased its land to another group company to carry on its business operations. In the present case, the CIRPs of both the Principal Borrower and the landowning Corporate Guarantor have already been admitted and are pending before this Tribunal.

25. In the present case, the plant and machinery of PESPL are situated on land belonging to GMP, while the said land itself forms part of the security supporting the financial facilities availed by PESPL. Further, the financial creditors in both CIRPs are identical, and the same financial debt of Rs. 2,131.68 crore stands admitted in both CIRPs. The common Resolution Professional and the resolutions passed by the respective CoCs further support the coordinated conduct of the two CIRPs.

26. This Tribunal further takes note of the fact that the CoC of PESPL, at its 7th meeting held on 20.08.2026, deliberated upon the fact that the plant and machinery of PESPL are erected on land owned by GMP and was of the considered view that inviting separate resolution plans for PESPL and GMP may not result in optimal value maximisation. The CoC of PESPL, by a resolution passed through e-voting concluded on 01.09.2026 with 100% of the voting share, authorised the Applicant to file the present Application seeking consolidation of the CIRPs and publication of a combined Form G. The CoC of GMP, at its 7th meeting held on 15.09.2026, also passed a resolution authorising the Applicant to file the present Application.

27. Thus, conducting separate CIRPs in respect of the two Corporate Debtors would result in value erosion and duplication of CIRP costs, valuation exercises and resolution activities, thereby rendering an effective and commercially viable resolution impracticable. Such a course would be contrary to the fundamental objective of the Code,

namely, maximisation of the value of assets. Further, as held by the Hon'ble Supreme Court in ***K. Sashidhar***, the commercial wisdom of the CoC is to be considered, subject to the provisions of the Code.

28. Further, the NCLT, Mumbai Bench, in ***Videocon Industries*** has dealt with the concept of substantive consolidation by identifying various indicative parameters, such as common control, common directors, common assets and liabilities, inter-dependence, inter-lacing of finance, pooling of resources, and singleness of economic unit. It is well settled that the aforesaid parameters are illustrative and not exhaustive and need not be cumulatively satisfied. The ultimate consideration is whether consolidation would facilitate effective resolution and value maximisation.

29. In the present case, there exists common control and ownership, interlinked financial arrangements, common financial creditors, common security arrangements, interdependence of assets and business operations, and the impracticability of separate resolution, thereby satisfying the relevant parameters for considering substantive consolidation.

30. Accordingly, having regard to the facts and circumstances of the present case, we hereby order the substantive consolidation of the CIRPs of M/s Panduranga Energy Systems Private Limited and M/s GMP Infrastructure Private Limited.

31. In view of the foregoing discussion and findings, the present Interlocutory Application is allowed, and the reliefs granted are set out below:

> a) The CIRPs of M/s Panduranga Energy Systems Private Limited (PESPL) and M/s GMP Infrastructure Private Limited (GMP) are hereby substantively consolidated and shall be treated as a single CIRP for the purposes of the Code.

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

c) The Resolution Professional, being common to both CIRPs, shall continue to act as the Resolution Professional of the consolidated CIRP and take necessary steps to conduct the process in accordance with the provisions of the Code.

d) A combined Committee of Creditors (CoC) shall be constituted comprising the financial creditors of both Corporate Debtors, with their respective voting shares determined on the basis of their admitted claims, ensuring that the same underlying financial debt is not counted more than once.

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

f) All claims, applications and proceedings pending in the respective CIRPs shall stand transferred to and be dealt with as part of the consolidated CIRP.

Sd/-

(SANJAY PURI)

MEMBER (TECHNICAL)

Sd/-

(RAJEEV BHARDWAJ)

MEMBER (JUDICIAL)