



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH (COURT-V)**

**IA/4430/2023**

**IN**

**CP (IB)/1120(MB)2021**

*(Under Section 33 read with Section 60(5) of the  
Insolvency and Bankruptcy Code, 2016 and Rule  
11 of the NCLT Rules, 2016)*

***In the matter of :-***

M/s. VHM Industries Limited

***Memo of parties:***

Sunil Kumar Agarwal (Regn. No.: IBBI/IPA-  
001/IP-P01390/201 8-2019/12178)  
Resolution Professional of M/s. VHM Industries  
Limited Having address at, 3, Dilkap Center,  
Near Safed Pul, Sakinaka, Andheri (E), Mumbai-  
400 072.

**... Applicant**

***In the original matter of :-***

State Bank of India, State Bank Bhavan,  
Madame Cama Road, Nariman Point, Mumbai-  
400 021.

**... Financial Creditor**

**Vs.**

M/s. VHM Industries Limited (CIN No.:  
U17100MH1987PLC044506), Having its  
Registered Address at: 614-616, Floor-6, Shah  
& Nahar Industrial Estate, Laxminar Singh,  
Papan Marg, Off. Dr. E. Moses Road, Worli,  
Mumbai, Maharashtra- 400 018.

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**... Corporate Debtor.**

**Order delivered on: 03.06.2025**

***Coram:***

Madhu Sinha  
**Hon'ble Member (Technical)**

Reeta Kohli  
**Hon'ble Member (Judicial)**

***Appearances:***

For the Applicant : Mr. Aniruth Purusothman G. (PH) (Adv.

**ORDER**

**Per: Madhu Sinha, Member Technical**

1. The present Application has been filed by Shri Sunil Kumar Agarwal, Resolution Professional of M/s. VHM Industries Limited (hereinafter referred to as "Corporate Debtor"). The Corporate Debtor was incorporated on 31.08.1987 under the Companies Act, 1956, and is engaged in manufacturing fabrics, dying, weaving, and providing job work facilities.
2. The Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor under section 7 of IBC, 2016 filed by the State Bank of India was admitted by this Adjudicating Authority on 16.12.2022 in Company Petition No. 1120/2021, and the Applicant herein was appointed as an Interim Resolution Professional of the Corporate Debtor. The IRP issued a Public Announcement dated 20.12.2022 in Form A.
3. The 1st meeting of the Committee of Creditors (hereinafter referred to as the "CoC") of the Corporate Debtor was held on 13.01.2023. The CoC

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of the Corporate Debtor passed a Resolution, inter alia, approving the appointment of the Applicant as the Resolution Professional of the Corporate Debtor. On 06.02.2023, the Applicant issued Form G - Invitation for Expression of Interest, and Form A Public announcement was issued on 17.09.2022.

4. It is stated that the 6<sup>th</sup> meeting of the CoC of the Corporate Debtor was held on 25.04.2023. The members of the CoC decided to hold the next meeting of the CoC on 04.05.2023 for the selection and voting of the best Resolution Plan for the Corporate Debtor.
5. The 7<sup>th</sup> CoC meeting was conducted on 04.05.2023, and it was unanimously decided to authorize SBI and the Union Bank of India's representative to take the lead in negotiating with the PRAs.
6. Subsequently, the 8<sup>th</sup> CoC meeting was held on 31.05.2023 and in this meeting, the CoC members discussed and deliberated on the negotiated Resolution Plans that were carried out and CoC also discussed the need to file an application seeking an extension of the CIRP of the Corporate Debtor by an additional period of 90 days. As per the order dated 20.06.2023 in IA/2583/2023, this Tribunal extends 90 days, as a result of which the last date for completion of CIRP of the Corporate Debtor is 13.09.2023.
7. The Applicant stated that in the 9<sup>th</sup> meeting of CoC held on 26.06.2023, the members of the CoC rejected all the Four Resolution Plans received by PRAS. Then, in the 10<sup>th</sup> meeting of CoC, which was held on 07.07.2023, the Applicant and the members of the CoC discussed the

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Liquidation of the Corporate Debtor in case all the Resolution Plans get rejected by the CoC.

8. Thereafter, in the 12<sup>th</sup> meeting of CoC held on 06.09.2023, the members approved the resolution for Liquidation of the Corporate debtor with the option to explore for Assessment of Compromise or Arrangement. The CoC also decided to propose to be appointed as the Liquidator of the Corporate Debtor.
9. It is further submitted that the CoC has also resolved to appoint CA Ashish Saoji as the Liquidator of the Corporate Debtor. The said CA Ashish Saoji has also consented to act as the Liquidator of the Corporate Debtor and given his consent in writing.

**FINDINGS & ANALYSIS: -**

10. We have heard Ld. Counsel for the parties and perused the averments made in the application, affidavits, and relevant documents on record.
11. This application is filed for liquidation with 99% voting of CoC members. It is seen from the record that the members of the CoC rejected all four Resolution Plans received by PRAs. To get further clarity in this matter, we have gone through the judgment of the Hon'ble Apex Court in ***K. Sashidhar Vs. Indian Overseas Bank and Ors*** ((2019) 12 SCC 150) has held:

*"52..... Besides, the commercial wisdom of CoC has been given paramount status without any judicial intervention, for ensuring completion of the stated processes within the timelines prescribed by the I&B Code. There is an intrinsic assumption that financial creditors are fully informed about Company Appeal (AT) (Insolvency) No. 1803 of 2024 the viability of the corporate debtor and feasibility of the*

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*proposed resolution plan. They act on the basis of thorough examination of the proposed resolution plan and assessment made by their them of experts. The opinion on the subject-matter expressed by them after due deliberations in CoC meetings through voting, as per voting shares, is a collective business decision. **The legislature, consciously, has not provided any ground to challenge the "commercial wisdom" of the individual financial creditors or their collective decision before the adjudicating authority. That is made non-justiciable.***

12. We are of the considered opinion that the Insolvency and Bankruptcy Code, 2016, has introduced a regime that restricts judicial intervention in commercial decisions, empowers stakeholders, and places a duty upon adjudicating authorities to uphold the spirit and procedural sanctity of the Code. The commercial wisdom of the Committee of Creditors (CoC) is paramount in the Corporate Insolvency Resolution Process (CIRP).
13. In this circumstance, accepting the commercial wisdom of CoC and considering other attended circumstances, the liquidation of the M/s. VHM Industries Limited is allowed
14. An intervention petition No. IA(IBC)/58/MB/2023 filed to challenge the proposed liquidation of CD has been heard in detail and being dismissed by a separate order of this Bench.
15. In the result, the M/s. VHM Industries Limited, Corporate Debtor is **ordered to be liquidated** with the following directions: -
  - i. **CA. Ashish Avinash Saoji** Reg No. **IBBI/IPA-001/IP-P01268/2018-2019/12150**, having his office at 3rd Floor, M.G. House, Rabindranath Tagore Marg, Civil Lines, Nagpur -440 001, has given a written consent to appoint

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him as a Liquidator as required under Section 31 A of IBC, 2016. Hence, **CA. Ashish Avinash Saoji**, with Registration No: **IBBI/IPA-001/IP-P01268/2018-2019/12150**, is appointed as liquidator of Corporate Debtor M/s. VHM Industries Limited.

- ii. The Liquidator is directed to forthwith take into his custody all the assets, Properties, and actionable claims of the corporate debtor and take necessary steps to ensure preservation, protection security and maintenance of those properties as provided under section 35(1)(b) & (d) of IBC 2016.
- iii. The Liquidator is directed to adhere to Section 33(1) (ii) & (iii) and discharge his powers and duties as specified under Section 35 to 41 of IBC, 2016 and meticulously adhere to the Rules and Regulations issued by IBBI in this regard from time to time.
- iv. Public Notice as contemplated under section 33(1) of the Code shall be issued in one morning, English daily and in one morning regional language newspapers.
- v. All the powers of the Board of Directors of the Corporate Debtor and of its key managerial personnel, shall cease to exist in accordance with Section 34 (2) of the Code. These powers shall henceforth vest in the Liquidator. The personnel of the Corporate Debtor shall extend all

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assistance and cooperation to the Liquidator as may be required by him in the Liquidation process of the Corporate Debtor

- vi. On initiation of the Liquidation process but subject to section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor, save and except the liberty to the liquidator to institute a suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority, as provided in section 33(5) of the Code read with its proviso.
- vii. In accordance with section 33(7) of the Code, this liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except to the extent of the business of the Corporate Debtor continued during the liquidation process by the liquidator.
- viii. In terms of Section 33(1) (b) (iii), the Liquidator shall file a copy of this Order with the Registrar of Companies, within whose jurisdiction the Corporate Debtor is registered.
- ix. The fees of Liquidator to be determined as provided under Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation 2016.



x. As per Regulation 13 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016, the liquidator shall submit a preliminary report to the Adjudicating Authority within 75 days from the liquidation commencement date providing various details/information as mentioned in the said regulation.

16. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

17. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

**Madhu Sinha**

**Member (Technical)**

**Reeta Kohli**

**Member (Judicial)**

Signed on this 3<sup>rd</sup> day of June, 2025.

Rajasree R. Nair/LRA