

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, HYDERABAD**

**IA No.132/2021  
In  
CP(IB)No.376/7/HDB/2018**

**In the matter of: SAGAR INFRA RAIL INTERNATIONAL LIMITED**

M/s. Sagar Infra Rail International Limited  
B-67, APIE Balanagar,  
Hyderabad, Telangana – 500 037.  
(Rep by its RP, Sri Vamsi Kambhammettu)

**...Applicant**

**Date of Order: 04.03.2021**

**Coram: Madan B. Gosavi, Member Judicial.  
Shri Veera Brahma Rao Arekapudi, Member Technical**

**Parties/Counsel(s) Presents:**


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

**[Per Bench]**


**ORDER**

1. The present Application bearing IA No. 132/2021 in CP(IB)No.376/7/HDB/2018 is filed by Resolution Professional inter-alia praying to approve the liquidation of the Corporate Debtor in terms of section 33(1) of the Insolvency and Bankruptcy Code, 2016.
2. Brief facts as stated by the counsel for the Applicant are as follows:-
  - a. That M/s. State Bank of India (Financial Creditor) filed CP(IB)No.376/7/HDB/2018 against M/s. Sagar Infra Rail International Limited (Corporate Debtor) under Section 7 of the IB Code and vide order dated 08.08.2019, this Adjudicating Authority admitted the said Application and Sri Vamsi Kambhammettu was appointed as the Interim Resolution Professional.





- b. That in the 1<sup>st</sup> CoC meeting, held on 06.09.2019, with 100% votes the Applicant herein was confirmed as Resolution Professional.
- c. That on 21.10.2019, the RP issued public announcement inviting EoI in Form G in Economic Times (All India Edition) and Surya (Hyderabad Edition) newspapers and thereafter the RP issued the revised Form G on 07.11.2019 and the last date for submission of Resolution Plan is 04.01.2020. However, RP has not received any Resolution Plan as on the last date of submission of Resolution Plans.
- d. In the 4<sup>th</sup> CoC meeting held on 08.01.2020, it was decided to extend the last date of submission of Resolution Plan to 24.02.2020.
- e. The RP received 1 Resolution Plan from Sri Veerbhadra Properties (P) Limited on 24.02.2020.
- f. The CoC in its 6<sup>th</sup> meeting held on 08.07.2020 found that the plan was not commercially viable and rejected the same. In the said meeting, it was resolved to recommend for Liquidation of the Corporate Debtor and also resolved to continue the RP to act as 'Liquidator' of the Company.
- g. That the CoC in its 6<sup>th</sup> meeting held on 08.07.2020 the members approved/decided by a 100% in favour of the following resolutions:
- i. That as per Regulations 39D, the CoC approved a fee of 65% of the Liquidator's Fee entitled as per Regulation 4 of the Liquidation Regulations.
  - ii. That as per Regulation 39B of the CIRP Regulations, the Committee made the best estimate of the Liquidation cost of Rs.9,50,000/- in consultation with RP.



- iii. That as per Regulation 39C of CIRP Regulations, the CoC approved the business of the Corporate Debtor for sale as going concern.
- iv. That CoC further approved that all other non-core Properties of the Corporate Debtor shall be sold on standalone basis under clause(a) of regulation 32.
- h. That CoC in its 6<sup>th</sup> meeting held on 08.07.2020 has resolved as under:-

*“RESOLVED THAT pursuant to Section 33 of the Insolvency and Bankruptcy Code, 2016, approval of the committee of creditors be and is hereby accorded to Liquidate the Corporate Debtor namely Sagar Infra Rail International Limited.”*

*“RESOLVED FURTHER THAT pursuant to Section 34 and other applicable provisions, if any, of the Insolvency and Bankruptcy Code, 2016, CA Kambhammettu Sri Vamsi, an Insolvency Professional (Registration No.IBBI/IPA-001/IP-P00664/2017-18/11141) shall act as the Liquidator in the matter of Sagar Infra Rail International Limited, the corporate debtor.”*

3. Heard the RP and perused the records.
4. In view of the facts and circumstances as recorded by RP in IA No. 132 of 2021 filed in CP(IB) No. 376/7/HDB/2018, this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016, this Adjudicating Authority deems it proper to allow the Application bearing IA No. 132/2021 as prayed for. Accordingly, in exercise of powers conferred under Sub-

Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—

- (i) This Adjudicating Authority hereby order for Liquidation of M/s. Sagar Infra Rail International Limited, which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- (ii) This Adjudicating Authority hereby appoint Sri Vamsi Kambhammettuu who has given his consent dated 06.07.2020 to act as Liquidator in the present case. He has also filed his Authorisation for Assignment (AoA) dated 28.12.2019. He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;
- (iii) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of Liquidation;
- (iv) Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.
- (v) We make it clear that para (iv) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- (vi) This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the Liquidation process by the Liquidator.





- (vii) All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested in the Company Liquidator viz., Sri Vamsi Kambhammettuu. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (viii) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Company Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- (ix) The Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016.
- (x) The Company Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.



(xi) Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Sri Vamsi Kambhammettuu for information and compliance.

(xii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

5. Accordingly, Application bearing IA No. 132/2021 stands disposed off.



**VEERA BRAHMA RAO AREKAPUDI**  
**MEMBER TECHNICAL**



**MADAN B. GOSAVI**  
**MEMBER JUDICIAL**