THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

Company Application No.1079 of 2015

in

C.P. No.168 of 2009

07.07.2015

Between:

M/s.Vah Magna Retail Pvt. Ltd. (in liqn.)

…Applicant

AND

ICICI Bank Limited, Hyderabad and others

..Respondents

Counsel for the applicant: Mr.M.Anil Kumar,
for the Official Liquidator

The Court made the following:

ORDER:

This company application is filed for taking on record, the highest offer of Rs.13,00,000/- made by Mr.V.Sateesh, R/o. No.3-9-639/14/1, Anithanagar, Mansurabad, L.B.Nagar, Hyderabad, in the auction held by the Official Liquidator on 30.06.2015, for purchase of movable assets of the company in liquidation; to accept the said highest offer by permitting the Official Liquidator to collect the balance sale consideration of Rs.10,75,000/- after adjusting the earned money deposit (EMD) of Rs.2,25,000/- from the highest offerer within thirty days of this order; to permit the Official Liquidator to handover movables on receipt of balance sale consideration of Rs.10,75,000/-; to permit the Official Liquidator to return the EMD of the unsuccessful bidder and to order that the costs of this application do come out of the assets of the company in liquidation.

In support of this application, the Official Liquidator filed his affidavit, wherein he has stated that this Court, by order, dated 23.06.2015, in Comp.A.No.474 of 2015, appointed Mr.R.S.Ramachandra Murthy, Government Registered Valuer, to value the various movables belonging to the company in liquidation. That the Valuer submitted his valuation report, upon perusal of which, this Court passed order, dated 20.10.2014, directing the Official Liquidator to file an application for sale of the movables and accordingly, the Official Liquidator filed Comp.A.No.93 of 2015. That this Court, by order, dated 24.03.2015, in C.A.No.93 of 2015, permitted the Official Liquidator to proceed with the sale of the movable assets by inviting sealed tenders by publication of sale notice in two daily newspapers i.e., Andhra Jyothi (Telugu) and The New Indian Express (English) of Hyderabad editions. That in compliance with the said direction, sale notice was published in the aforesaid newspapers fixing the date of inspection of the movable assets as 23.06.2015 between 11 a.m. and 4 p.m.; last date for submission of the sealed tenders as 29.06.2015 and opening of the sealed tenders as 30.06.2015.

That consequent on publication of sale notice, the Official Liquidator addressed letter, dated 17.06.2015, to the secured creditors informing them about such publication. The Official Liquidator further stated that in pursuance of publication of sale notice, three tender forms along with terms and conditions of sale were purchased by the prospective bidders from the office of the Official Liquidator and two of them have submitted their tenders. That in association with the secured creditors, the Official Liquidator commenced the auction proceedings on 30.06.2015 at 3.00 p.m. That upon opening the two sealed tenders, the Official Liquidator found highest initial offer as Rs.12,24,000/- made by Mr.M.Srinu as against the minimum upset price of Rs.22,40,000/-. That keeping this as minimum offer, it was decided to have *inter se* bidding among offerers so as to get better offer and in the *inter se* bidding, Mr.V.Sateesh made the highest offer of Rs.13,00,000/-. That in spite of persuasions made by the members present in the auction, no one was willing to increase their offer beyond Rs.13,00,000/-. That the minutes of the auction proceedings were recorded on that day itself. The Official Liquidator has also filed copy of the minutes along with attendance sheet and bid sheet. The Official Liquidator further stated that the representatives of the secured creditors, who were of the view that considering the nature of material being sold, highest offer may be received, recommended for acceptance of the highest offer by the Court.

I have perused the bid sheet as well as the minutes of the auction signed by the representatives of ICICI bank and Pridhvi Asset Reconstruction and Securitization Company Limited i.e., the two secured creditors. It is, *inter alia,* stated in the minutes that the offer was discussed with the representatives of the secured creditors, who were of the view that considering the nature of the material being sold, offer be received and accordingly, they recommended for acceptance of the offer by the Court.

In the light of the above facts, this Court is of the opinion that even though the highest offer made by Mr.V.Sateesh i.e., Rs.13,00,000/- is below the upset price of Rs.22,40,000/-, considering the nature of the material being sold and the opinion of the representatives of the two secured creditors, it is in the best interest of the secured creditors that the offer is accepted.

The Company Application is accordingly allowed as prayed for.

(C.V.NAGARJUNA REDDY, J)

07th July, 2015
GHN