

Comp.A.No.426 of 2016
in C.P.No.229 of 2004

RAJIV SHAKDHER, J.

Comp.A.No.426 of 2016

1. I am informed by the Official Liquidator (in short "the OL") that there are four (4) secured creditors, i.e., IREDA, Sundaram Finance Limited, Vijaya Bank and City Union Bank.

1.1. Today, IREDA and Sundaram Finance Limited are represented.

1.2. The record shows that on previous date, Mr.T.K.Ramkumar, appeared for the City Union Bank.

2. The report of the OL, dated 07.04.2016, encloses the Minutes of the Meeting dated 12.01.2016, held in the OL's Chamber, which shows the presence of the representatives of the Vijaya Bank as well.

2.1. At that aforementioned meeting, a decision, evidently, was taken that the OL should file an application before this Court for bringing the assets of the company-in-liquidation to sale in accordance with the directions of the Division Bench contained in the order dated

26.08.2015, passed in Comp.A.No.1038 of 2006 filed in C.P.No.229 of 2004.

2.3. It appears that all secured creditors are ad-idem that the assets of the company-in-liquidation should be put to auction.

3. The report of the OL as well as the orders of the Division Bench show that several attempts have been made to sell the assets of the company-in-liquidation. I am told that nine (9) such attempts have been made in the past.

3.1. It appears that, it is perhaps, for this reason that the Division Bench, vide order dated 26.08.2015, despite valuation of the assets pegged at Rs.67,58,70,000/-, brought it down to Rs.50,00,00,000/- (Rupees fifty crores only) at the say so of the secured creditors.

3.2. My attention has also been drawn to an earlier order of the Division Bench, where, the Earnest Money Deposit, was directed to be fixed at 5% of the bid amount.

4. Accordingly, the upset price of the land, ad measuring 125.66 acres ; the building ; plant and machinery and other movables, which are situate at village Malappambadi, Thiruvannamalai District, Tamil Nadu, is fixed at Rs.50,00,00,000/- (Rupees fifty crores only).

4.1. The EMD is fixed at 5% of the bid amount.

4.2. Furthermore, the auction notice will indicate that the tender forms along with terms and conditions can be collected by the prospective bidders from the OL's office on all working days collected from 26.09.2016 till 30.09.2016 and, at the site, indicated above, from 26.09.2016 till 30.09.2016.

4.3. On the aforementioned days, (i.e., from 26.09.2016 till 30.09.2016), the site will be kept open to enable inspection by prospective bidders. The inspection will be permitted between 10.00 a.m. and 5.00 p.m.

4.4. The auction notice will also indicate that the last date for submission of bid would be 19.10.2016, till 4.00 p.m.

4.5. Furthermore, the auction notice will also indicate that the bids should be submitted to the office of the Registrar General of this Court and that, they will be opened, in Court, on 20.10.2016, at 2.15 p.m.

5. Insofar as paragraph 19 of the terms and conditions is concerned, it shall stand amended to the extent that it will indicate that the balance consideration will be paid by the successful bidder within sixty (60) days of the bid , being accepted.

5.1. Auction notice will also make it clear that confirmation of sale will be subject to the final order of the Court.

6. Having regard to the submissions made by the learned counsels for IREDA and Sundaram Finance Limited and, the orders of the Division Bench, the draft sale notice, as filed with the report of the OL, which is appended as Annexure D to the application, is approved, subject to what is stated above.

7. The auction notice will be published in two newspapers ; one in English Daily, viz., Times of India (All India edition) ; and the other, in Tamil Daily, viz., Dinamalar, (Tamil Nadu edition).

8. The application is, accordingly, disposed of.

9. It is made clear that the cost of publication and sale will be met in equal proportion by the four secured creditors, upon an invoice being served upon them by the OL in that behalf.

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10. The OL will file a fresh status report before the next date of hearing.

11. Re-notify on 20.10.2016.

06.09.2016

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Note : Issue order copy on 07.09.2016

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