

THE HON'BLE SRI JUSTICE S.V. BHATT

COMPANY APPLICATION Nos. 1595 and 1596 of 2011

COMMON ORDER :

These two applications are at the instance of highest bidders in the auction conducted by the Official Liquidator on 24.12.2008.

In Company Application No.1595 of 2011, one G.V.Koti Reddy has participated in the auction of plot No.10 of agricultural land, measuring Acs.69.65 cents in Survey Nos.347/1, etc. of Idupur Village, Markapuram Mandal, Prakasam District. The applicant is the highest bidder for Rs.1,01,00,000/- and paid EMD of Rs.5,00,000/- .

In Company Application No.1596 of 2011, one M/s. Swathi Developers, Markapur, has participated in the action of plot No.8 of agricultural land, measuring Acs.12.12 cents covered by Survey Nos.51/1, etc. of Narasimhapuram Village, Markapuram Mandal, Prakasam District. The applicant is the highest bidder for Rs.1,09,17,000/- and paid EMD of Rs.7,00,000/-.

In respect of these two properties, it is matter of record that the Company Court did not and need not consider the report filed by the Official Liquidator either to

accept the bids of these applicants or issue further directions, in view of pendency of Company Application Nos.1676 and 1677 of 2008. Be that as it may, the fact of the matter is that the Company Court did not exercise its discretion and jurisdiction within a reasonable period from the date of auction and pass appropriate orders on the pending applications. I am of the view that acceptance of bids of the applicants in these two applications at this point of time will not be appropriate and commensurate to the probable price the property is likely to fetch if again re-auctioned on the pending applications of the Official Liquidator. For the above reasons, the prayers in these two applications are not considered. Hence rejected.

Mr. Anil Kumar appearing for the Official Liquidator to the extent permissible accepted the suggestion of the Court to pay reasonable bank interest and accordingly the Official Liquidator is directed to refund the EMDs referred to above within two weeks from the date of receipt of a copy of this order with simple interest at 6% p.a. till the date of repayment. It is made clear that the interest directed to be paid to the applicants in these two applications can be adjusted from out of the sale proceeds that go into the hands of the Official Liquidator during and in the course of administration of properties of the Company in liquidation.

With the above directions, these two Company Applications are dismissed.

**JUSTICE S.V.
BHATT**

22nd April, 2016
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