

HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY APPLICATION No. 632 OF 2018

ORDER:

This Application is filed under Section 457(1)(c) of the Companies Act, 1956 read with Rule 9 and 11(b) of the Companies (Court) Rules, 1959), with the following prayer:

- “ i. permit the Official Liquidator to sell the assets i.e., Land to an extent of Ac.2-04 guntas along with Building/sheds and Plant & Machinery of the company in liquidation situated at Plot No.140, Miyapur, Bollaram Village, Narsapur Taluk, Medak District as consolidate lot through e-auction” on as is where is whatever there is basis”.
- ii. Consider and approve the minimum upset price of rs.3,50,-00,000/- which is highest offer received from the earlier purchaser and fix the EMD as Rs.35,00,000/- in the proposed sale.
- iii. Permit the Official Liquidator to sell the assets of the company through e-auction service provider viz. M/s.Shriram Automall India Ltd. Or such other agency as this Hon'ble Court may deem fit and proper.
- iv. Consider and approve the draft e-auction notice and Terms & Conditions for sale of the assets i.e., land to an extent of Ac.2-04 guntas along with buildings/sheds and Plant & Machinery of the company in liquidation situated at Plot NO.140, Miyapur, Bollaram Village, Narsapur Taluk, Medak District to be hosted on the Website.
- v. Permit the Official Liquidator to publish e-auction notice for sale of the assets i.e., Land to extent of Ac.2-04 guntas along with buildings/sheds and Plant & Machinery in Hyderabad Editions of Eenaadu (Telugu Daily) and “Times of India” English daily and any other papers as ordered by this Hon'ble Court.
- vi. Permit the Official Liquidator to amend/alter/modify the notice to be displayed on web portal as per the procedure/norms of the e-auction service provider.

vii. Permit the Official Liquidator to fix Rs.3,000/- (Non refundable & non adjustable) towards participation fee in the e-auction.

viii. Direct the 1st respondent herein to deposit an amount of Rs.5,00,000/- with the Official Liquidator to incur the advertisement charges, e-auction fee and other incidental expenses within 10 days from the date of the order, which shall be reimbursed by the Official Liquidator upon sale of the assets of the company (in liqn.) on priority basis subject to the order of this Court.

ix. Order the cost of this application do come out of the assets of the company (in liqn.)”

2. Heard learned counsel for the Official Liquidator Sri M. Anil Kumar.

3. The earlier efforts made for sale of the property of the company (in liquidation) have not fructified. However, as on date, there is good response and offers are received, the latest was from M/s. Kontham Trading, who is an applicant in I.A.No.2 of 2018, for a sum of Rs.4,51,55,999/- to purchase the building, plant and machinery of the company in liquidation situated at Miyapur and the applicant to show his *bona fides* had enclosed a banker's cheque for Rs.48,00,000/- .

4. Keeping in view the offers received, the market conditions, filing of I.A.No.2 of 2018 by the applicant and since it is clear that the additional land is put to public auction which is likely to fetch higher amount, and also considering the fact that the land is protected by a compound wall and is adjacent to residential tenements, it would be reasonable to put the minimum upset price as Rs.5 crores. The Official Liquidator to

take necessary steps by advertising the auction proceedings fixing a date, which is convenient. Further, the official liquidator shall cause publication of notice in local editions of Eenadu Telugu Daily and Times of India and Indian Express English Daily newspapers and also inform beneficial purchasers located in IDA Bollaram about the proposed auction.

In those circumstances, Comp.A.No.632 of 2018 is allowed insofar as relief 1 to 7 and 9 is concerned. The amount that is required to be incurred for the purpose of auction can be adjusted from the final sale proceedings to the credit of the official liquidator under the company in liquidation and the final amount can be made to the account of the 1st respondent.

JUSTICE CHALL KODANDA RAM

December 20, 2018
LMV

