

Comp.A.No.242 of 2019
in
C.P.No.245 of 2013

P.T.ASHA, J.

By orders of this Court dated 08.11.2019 tenders were invited from intending buyers for the purchase of movable and immovable assets consisting of land measuring an extent of 4.05 Acres in S.F.Nos.78/1, 2, 3, 4 and 5, Perumal Malai Kovil Road, Suriyampalayam Village, Erode District together with its Building and Other Civil Structures. The movable assets consisted of the plant, machinery and other movables. The publication was issued in Times of India and Daily Thanthi on 01.12.2019 . Bidders came forward only for the plant and machinery and the same was sold to the highest bidder, namely, M/s. New Royal & Company for a sum of Rs.45,60,000/-.

2. As regards the immovable assets there was absolutely no takers. This Court, therefore, by order dated 03.01.2020 had suggested that the Official Liquidator may erect hoardings in the premises inviting prospective buyers. The same was also erected at the premises by the learned Official Liquidator. Pursuant to this, Mr.Murugan, No.164/11, Suriya Nagar, Bhavani Main Road, Suriyampalayam, Erode, through his counsel Mr.Vasanth Kumar had approached this Court on 21.02.2020 expressing his intention to purchase the said property

and the matter was therefore listed today.

3. M/s. ITCOT Consultancy and Services Limited who was assigned the duty of arriving at the valuation for both movable and immovable assets, by their report of March 2019 arrived at a fair Market value of Rs.162 Lakhs for the land and a distress value of Rs.145.80 Lakhs for the land. Likewise, with reference to the Building and Other Civil Structures they had arrived at a fair market value at Rs.46.62 Lakhs and distress sale value of Rs.41.96 Lakhs.

4. Though the prospective bidder had offered only a sum of Rs.145 Lakhs for the land, ultimately, he had agreed to purchase the land at 160 Lakhs. With reference to the Building and the Other Civil Structures, he would only offer Rs.20 Lakhs since according to him the building are in a highly dilapidated state and most of them would have to be broken down and would therefore caused him considerable expense.

5. Ultimately, on the persuasion of this Court and the Official Liquidator the bidder had agreed to pay a sum of Rs.40 Lakhs insofar as Building and other Civil Structures are concerned. No doubt it is true that the value offered for the building and other Civil Structures is Rs.2 Lakhs lesser than distress sale value.

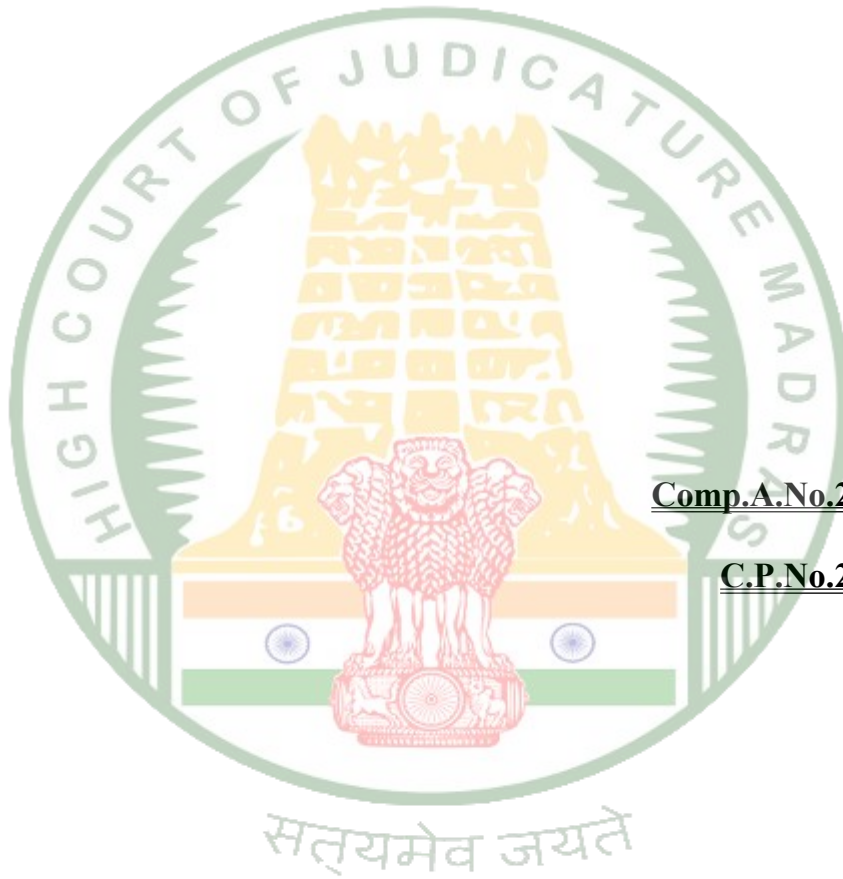
However, with reference to the building M/s. ITCOT Consultancy and Services Limited had opined that the residual life in so far as the building is concerned is only another 5 years. Therefore, taking into account the fact that with reference to the land the bidder has offered Rs.14 Lakhs over and above the distress sale value, this Court despite objections put forward by the Official Liquidator is inclined to confirm the offer since there were no bidders in the auction sale held after publication. Further, sixteen Demand Drafts totalling a sum of Rs.20,40,000/-, drawn at Axis Bank, Mettunasuvampalayam Branch, Oriental Bank of Commerce, Erode and State Bank of India, SME Branch, Bhavani all dated 09.02.2020 have now been given by the bidder, Mr.Murugan and seven others (1.Gajalakshmi, 2.N.Saivamani, 3.S.M.Dhandapani, 4.Mallika, 5.Muthammal, 6.Sivakami, 7.Nallasivam) to the Official Liquidator for the land and the Building and Other Civil Structures. The bidder has sought time and he undertakes to pay a further 10% of the sum of Rs.2 Crores in the first week of March 2020. The entire amount shall be paid on or before 10.04.2020. It is made clear that in case of the bidder not clearing the amount, the initial sum of Rs.20,40,000/- which is now paid would stand forfeited.

24.02.2020

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