

Comp.A.No.26 of 2021

R.SUBRAMANIAN, J.

This company application has been filed seeking permission to empanel and to utilize the services of E-auction Agency, M/s.RailTel Corporation of India Ltd., as per terms and conditions prescribed in the guidelines issued by Ministry of Corporate Affairs enclosed as Annexure to the report and to permit the Official Liquidator to pay the agency as per fee structure prescribed by the Ministry of Corporate Affairs from and out of the funds of respective companies under liquidation from time to time.

2.In the report accompanying this application, the learned Official Liquidator had stated that there are 233 Companies under liquidation with the Office of the Official Liquidator in Chennai and various steps are being taken for completing the process of winding up of those Companies under the Companies Act, 1956. The learned Official Liquidator had stated that wherever orders of winding up were passed, the properties of the Companies become custodia legis and the Official Liquidator takes steps under Section 460 of the Companies Act r/w. Rule 272 to 274 of the Companies Court Rules,1959 to bring the assets for sale after obtaining necessary valuation reports and making publications in newspapers. The

offers received are addressed to the Registrar General of the High Court of Madras and the same will be placed before the Hon'ble Company Judge for conducting inter-se bidding among intending purchasers. This Court also at times, directs the Official Liquidator to conduct the said process in his chambers. Services of empanelled auctioneers are also used, at times, for conducting such sales.

3.It is further stated that on 24.11.2020, the Ministry of Corporate Affairs had issued guidelines to all the Official Liquidators to adopt the E-auction procedure for sale of the assets of the Companies under liquidation. A committee consisting of Official Liquidators of Bangalore, Ahmedabad & Indore was constituted for the aforesaid purpose. The committee after due deliberations with the E-auction Agencies in the country had empanelled M/s.RailTel Corporation of India Ltd., as a service provider for this purpose and the said Corporation had also agreed to certain broad terms and conditions proposed by the Ministry. The Ministry has also directed the Official Liquidators to approach the respective High Courts and seek permission to switch over to E-auction procedure so as to felicitate better transparency in the auctions conducted by the Official Liquidator. It is also

stated that adopting the E-auction procedure would enable the Official Liquidator to give wide publicity to the auction and such publicity will attract more bidders, which will be beneficial to the creditors of the Companies under liquidation.

4.Mr.Bavishetty Sridhar, learned Deputy Official Liquidator has also produced the order of the Kerela High Court made on the report of the Official Liquidator dated 06.01.2021 wherein, the Kerela High Court had accepted the report of the Official Liquidator and had permitted the Official Liquidator, Kerela to switch over to E-auction procedure from existing manual auction for sale of the assets of the Companies under liquidation by availing the service of the E-auction service provider, M/s.RailTel Corporation of India. Hon'ble Mr.Justice Anil K.Narendran had taken note of the advantages of the E-auction procedure and had observed that such procedure would be more convenient and advantages. I do not see any reason to disagree with the Hon'ble Judge.

5.In such circumstances, this application is allowed, the learned Official Liquidator is permitted to switch over to the process of E-auction

instead of the existing manual auction for sale of assets of the Companies under liquidation, by availing the services of M/s.RailTel Corporation of India Limited. The Official Liquidator shall enter into necessary agreement

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/ agreements with the service provider for the purpose of E-auction. The initial agreement can be for a period of a year with an enabling clause for further renewals. The terms and conditions for conducting E-auction shall be prepared by the Official Liquidator based on the general terms and conditions issued by the Ministry of Corporate Affairs and the same shall be placed before this Court for approval.

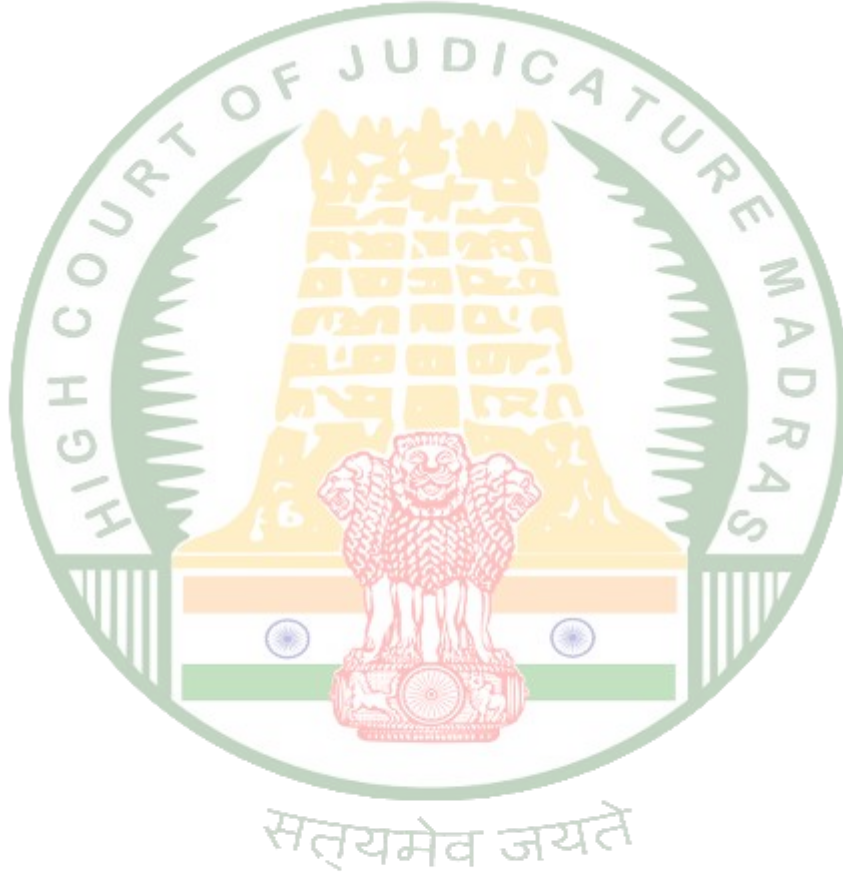
6.In fine, this company application is allowed with the above observations.

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