

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

IA(IBC)/2432(CHE)/2023 in CP/473/IB/2017

*(Filed under Regulation 33(2)(d) of the IBBI (Liquidation Process) Regulations,
2016)*

In the matter of *M/s. Auro Mira Energy Company Private Limited*

R Venkatakrishnan

Liquidator of

M/s. Auro Mira Energy Company Private Limited

Rajparis Trimeni Towers, 147, First Floor,

Gopathi Narayanaswami Chetty Road,

T. Nagar, Chennai – 600 017

.. .. Applicant / Liquidator

-Versus-

1. D. Rajkumar

Veerakumar Textile Corporation

No.8, Venkateswara Industrial Estate

Peelamedu, Coimbatore – 641 004

2. Veeraprakasham Rajamanickam

IDEA Property Developers

No.98, Mission Street,

Near Palaniammal Girls Higher Secondary School,

Tiruppur – 641 604

Present:

For Applicant : R. Venkatakrishnan, Liquidator in person

CORAM
SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 25th January 2024

ORDER
(Heard through video conferencing mode)

IA(IBC)/2432(CHE)/2023 is an Application filed by the Liquidator of M/s. Auro Mira Energy Company Private Limited , seeking reliefs as follows;

- a. Pass directions for condonation of delay in making payment by the respondent in respect of the Sale of shares of wholly owned Subsidiary Company, M/s. Auro Mira Energy and Infrastructure India Private Limited.*
- b. Approve the sale of the property to the respondent at Rs. 5.41 Crores being the price arrived at as the maximum reduction in reserve price consequent to the failed auction in accordance with Regulation 33 read with Sub Clause 4B of Clause 1 of Schedule I of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.*
- c. To grant permission to the liquidator to adjust the EMD amounting to Rs. 82 Lakhs and partial consideration amounting to Rs. 1.40 Crores totaling to Rs. 2.22 Crores with the proposed amount (i.e., Rs. 5.41 Crores).*
- d. Any other reliefs as may be necessary to aid the process of Liquidation by this Hon'ble Tribunal.*

2. It is stated that this Tribunal vide its order dated 04.01.2018 ordered for Liquidation of the Corporate Debtor viz. Auro Mira Energy Company Private Limited and appointed the Applicant herein as the Liquidator.

3. It is stated that the second E-Auction was conducted by the liquidator, on 25.08.2021, for the sale of shares of wholly owned Subsidiary Company, M/s. Auro Mira Energy and Infrastructure India Private Limited with a reserve price of Rs.8.135 Crores. The respondents Mr. D Rajkumar & Mr. Veeraprakasham Rajamanickam deposited a sum of Rs.82.00 Lakhs as an Earnest Money Deposit (EMD) on 23.08.2021 and participated in the said e-auction. Being the sole participant, they were declared as a successful bidder for a total consideration of Rs.8.135 Crores. The last date of remittance of the balance consideration was fixed as 24.09.2021.

4. It is stated that the successful bidders transferred a further sum of Rs.1.40 Crores to the account of the Corporate Debtor on 24.09.2021. Further, in accordance with Regulation 33 read with clause 12 of

Schedule I of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the balance consideration had to be remitted along with the Interest at the rate of 12% p.a on or before 23.11.2021. However, the Liquidator did not receive the balance consideration within the extended timelines.

5. It is stated that as per the condition laid down in the Letter of Intent, the amount paid as Earnest Money Deposit (EMD) to the tune of Rs.82 Lakhs was forfeited and the same was distributed to Stakeholders on 24.12.2021.

6. It is stated that subsequently, the liquidator conducted a Third E-Auction dated 10.06.2022 with a reserve price of Rs.6.50 Crores for the sale of shares of wholly owned Subsidiary Company, M/s. Auro Mira Energy and Infrastructure India Private Limited. In the said E-Auction, a couple of parties evinced interest but none of them participated in the E-Auction. Thus, the E-Auction was declared as failed.

7. It is stated that the liquidator conducted the Fourth E-Auction on 18.11.2022 with a Reserve Price of Rs.6.00 Crores for the sale of the

shares. However, no one evinced interest in the said E-auction and thus it was declared as failed.

8. It is stated that on forfeiture of the EMD, the successful bidders Mr. D Rajkumar & Mr. Veeraprakasham Rajamanickam filed an application under Section 60 (5) before this Tribunal on 04.01.2022 numbered as IA(IBC)/75(CHE)/2022 for refund of consideration remitted by them.

9. It is stated that when the said Application came up for hearing on 15.11.2023, the counsel for the respondent reiterated before this Tribunal that the respondents are still willing to settle the matter amicably. On the request made by the parties, this Bench directed to complete the settlement terms on or before 28.11.2023.

10. It is stated that in view of the above, the liquidator sent a mail to the counsel of the respondent dated 16.11.2023 to submit a settlement plan, if any before 28.11.2023. It is stated that on 16.11.2023, the 3rd SCC Meeting was conducted by the liquidator and in the said meeting, the

Stakeholders permitted the liquidator to give priority to Mr.Rajamanickam and try to close the transaction. The stakeholders further suggested if Mr. Rajamanickam does not come forward in completing the sale, then the Liquidator may examine the possibility of selling it to other buyers.

11. It is stated that the Counsel of the Respondent sent a mail dated 18.12.2023 to the counsel for the Applicant confirming that the settlement amount would be Rs.5.41 Crores. The Mail Communications between the Applicant and Respondent are annexed as Annexure-3.

12. It is stated that on 19.12.2023, the counsel for the Respondent submitted a memo before this Tribunal containing the settlement plan. In the memo, the Respondent stated that they are willing to settle the balance amount of Rs.3.19 Crore after obtaining necessary approval from this Tribunal for the transfer of such shares.

13. Under such circumstances, the present Application has been filed before this Tribunal by the Liquidator under Regulation 33 (2) (d) of the

Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 for the approval of the sale of the shares at Rs.5.41 Crores. It is stated that the price being arrived at, as the maximum reduction in Reserve Price consequent to the failed auction in accordance with Regulation 33 read with Sub Clause 4B of Clause I of Schedule I of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Request has been made to grant permission to the liquidator to adjust the EMD amounting to Rs.82.00 Lakhs and partial consideration amounting to Rs.1.40 Crores totalling to Rs.2.22 Crores with the proposed amount (i.e., Rs. 5.41 Crores).

14. Heard the submissions made by the Applicant.

15. It is seen that in the E-auction advertisement dated 06.08.2021, the Liquidator has mentioned sale of agricultural land to the extent of 838.99 acres, however the land over which the Corporate Debtor has a clear title is only to an extent of 307.99 acres. It is also seen from the 3rd SCC meeting dated 16.11.2023, that the stakeholders had suggested the Liquidator to give priority to Mr. Ashok and Mr. Rajamanickam.

Accordingly, the Respondent has given a proposal for the purchase of the shares for a total consideration of Rs.5.41 Crores (including a sum of Rs.2.22 Crores already paid to the Liquidator).

16. In view of the same, the Respondents are directed to deposit the balance amount to the tune of Rs.3.19 Crores within a period of 30 days from the date of this order, failing which the Liquidator is at liberty to proceed with the sale of the shares to the third party through e-auction.

17. With the above said directions, IA(IBC)/2432(CHE)/2023 stands disposed of.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

Raymond