

**BEFORE THE ADJUDICATING AUTHORITY
(NATIONAL COMPANY LAW TRIBUNAL)
ALLAHABAD BENCH**

IA NO. 32/2021
IN
CP(IB) No.55/ALD/2017

IN THE MATTER OF :

M/s LML Limited

.....Corporate Debtor

IN THE MATTER OF :

**M/s LML Limited(In Liquidation)
Through Liquidator, Arun Gupta**

.....Applicant/ Liquidator

ORDER DELIVERED ON :14.07.2021

CORAM:

Hon'ble Mr. Justice (Retd.) Rajesh Dayal Khare, Member, Judicial

**For the Liquidator: Mr. Shubham Agarwal, Adv along with
Ms. Monica Nanda,PCS**

Per se: Mr. Justice (Retd.) Rajesh Dayal Khare, Member (Judicial)

Order

1. The present application has been filed by the Liquidator under Section 60(5) (c) of the IBC 2016 read with Regulation 33(1) and Schedule I of the IBBI (Liquidation Process) Regulations, 2016 seeking permission to conduct the auction of the assets of the Corporate Debtor by reducing the reserve price by 10% each time as each subsequent auction, when the auction fails at the earlier reduced price.
2. As per the averments made in the Application, this Adjudicating Authority vide order dated 23.03.2018 has ordered liquidation of the corporate debtor and subsequently vide order dated 09.04.2018 appointed Mr. Arun Gupta as the liquidator.
3. It is stated in the application that the Liquidator constituted a monitoring committee and issued the sale notice alongwith public announcement dated 27.09.2018 for the first auction which was held on 31.10.2018. Further the

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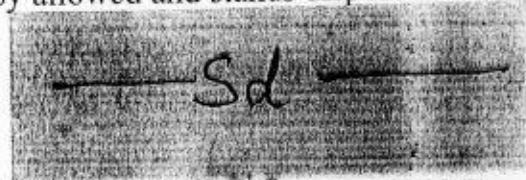
liquidator preferred to sell the assets of the corporate debtor through e-auction inviting prospective bidder to bid on various block of assets on time to time basis.

4. The reason for filing the above said application is that one major immovable assets remains unsold which has been put into auction for 11 times and for the unsold immovable assets, the liquidator has also published notice for inviting EOI in respect of the land and building on 05.11.2020 and 09.12.2020 but till date no EOI have been received by the liquidator.
5. It is contended that the amendments has been made in IBBI (Liquidation Process) Regulations 2016 on 25th July, 2019 in Sub-Paragraphs 4,4A and 4B of para 1 Schedule 1. The relevant provisions of which is reproduced below:
(4) The reserve price shall be the value of the asset arrived at in accordance with Regulation 35.
(4A) Where an option fails at the reserve price, the Liquidator may reduced the reserve price upto 25% of such value to conduct subsequent auction.
(4B) Where an auction fails at reduced price under clause (4A), the reserve price in subsequence may be further reduced by more than 10% at a time.
6. It is further submitted that the amendment made was applicable to Liquidation Process which commence on or after 25.07.2019 and since the Liquidation Process of the Corporate Debtor started before 25.07.2019, thus the same is not applicable in the present matter and hence the reserve price could not be reduced by the Liquidator anymore. Therefore the Liquidator seeks permission of this Adjudicating Authority to reduce the reserve price by not more than 10%.
7. On hearing the Ld. Counsel for the Applicant and perusal of the documents, this Adjudicating Authority of the view that the amended provisions of Schedule of IBBI (Liquidation Process) Regulation, 2016 to the extent relates to further reduction of reserve price by 10% at a time as referred in 4B of Schedule 1 may be made applicable to this Liquidation Process, in view of the fact that otherwise the Liquidator may not be able to sale the property which is remains unsold inspite of various auctions being conducted as by reducing

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the reserve price , the property can get prospective buyer which will expedite the liquidation process.

8. Accordingly, the Liquidator is permitted to reduce the reserve price by 10% in the next auction and proceed with the Auction Sale.
9. The Applicant i.e IA NO. 32/2021 is hereby allowed and stands disposed of.



JUSTICE RAJESH DAYAL KHARE
MEMBER (J)

Date: 14.07.2021

Swati Gupta
(LRA)