Comp. Appl. Nos. 53 & 54 of 2015

in

C.P.No.9 of 2013

R. MAHADEVAN, J.

The Winding up application filed by the respondent in the present applications were allowed by this court by an order dated 11.03.2014 and the official liquidator was put in charge of the assets of the applicant company. Subsequently when the official liquidator's attempts to take possession of the property at 230 Jeeva Workshop Road, Karattupalayam, Anthiyur, Erode was thwarted by the managing director of the company in liquidation, directions were issued by this court on 25.07.2014 to the superintendent of police to provide adequate protection to the officials while taking possession. However, the official liquidator could not take possession as there was an objection by the person in possession stating that the property does not belong to the company.

2. After considering the report of the official liquidator, the learned counsel for the company in liquidation and the documents relied upon by both the parties, this court on 02.12.2014 held that the objections raised by the person in possession are not legally justifiable and therefore, this Court issued further directions to the official liquidator to take possession of the

property with the assistance of the superintendent of police, Erode. Thereafter, the present applications for stay and to recall the order of winding up dated 11.03.2014 have been filed by the applicant proposing to settle the claim made by the creditor/petitioner. As per the report of the official liquidator, no other claims against the company in liquidation were received.

2a. As the claim amount is agreed to be settled, the issue withered out to the claim of interests, costs and the expenses meted out by the creditor company, pending the winding up proceedings.

3. The learned counsel for the company in liquidation has vehemently contended that the creditor/petitioner has not claimed any interest in the notice and also in the winding up application. The counsel has also contended that this court in its order dated 11.03.2014 has not awarded costs and therefore the creditor is not entitled to any costs and reimbursement of expenses. The learned counsel also contended that in any case, costs only to the extent permitted under Order III of the Original side rules read with Rule 339 of the companies Court Rules can be awarded. The counsel also contended that the applicant has a claim against the creditor for Rs 35,000/- and therefore the parties must be relegated to a civil suit with regard to the claim of interest and counter claim. The counsel has also relied upon the judgments reported in 109 CC 417, 117 CC 136, 158 CC 50 and 68 CC 684.

4. Per contra, the Learned counsel appearing for the creditor/petitioner vehemently assailing the conduct of the applicant contended that the applicant despite service of notice had been shadow watching, disrespected the orders of this Hon'ble Court and only as a last resort has approached this Court for recalling the order. Negating the contention, the learned counsel referring to communications prior to the statutory notice contended that the creditor had mentioned that they are paying interest to bank and that is sufficient to demand interest. In addition, the learned counsel also contended that in all commercial transaction, the element of interest cannot be ignored in cases of belated payments. The counsel also relied upon section 34 and 35 of Civil Procedure Code to contend that this court has powers to grant interest and costs. The learned counsel also produced documents to show that the creditor has been paying interest to the bank. The learned counsel has also contended that the creditor has so far spent Rs 80,000/- towards the expenses. The learned counsel also relied upon the judgments of the Gujarat High Court in ***IFCI Ltd Vs Official Liquidator*** and the Judgment of this Court reported in 1988 (1) MLJ 232 in support of his contentions and sought for the dismissal of the applications.

5. Heard the learned counsels of both sides and perused the documents.

6. Before going into the rival claims, this court deems it fit to

condemn the attitude of the applicant/company in liquidation. Despite the service of statutory notice and publication, they had chosen not to appear before this court. Further, the managing director claimed the property as his individual property when the officials attempted to take possession contrary to the stand taken by them in the deed of hypothecation with the Bank. But for the present applications, the official liquidator would have proceeded as per the earlier directions of this Court against the property. It is also pertinent to mention here that the managing director representing the applicant company is the proprietor of the firm functioning at present in the godown. It is settled law that under appropriate circumstances this court can lift the veil and proceed against the properties of the directors also. Therefore on equity, the applicant would stand in a disadvantageous position.

7. Now coming to the issue of interest, the learned counsel for the applicant/company in liquidation has relied upon the following judgments:-

a. In ***Stanes Tyre and Rubber Products Ltd., vs. Tolins Tread and Allied Products ((2010) 158 Comp Cas 50 (Mad)),*** the Division Bench of this Court has observed as under:-

"9. Here, the invoices do not refer to any date before when the amount shall be paid or whether the interest will be collected. Therefore, it is the second contingency that arises of a situation when the liability is cast by a demand, which is not expressly barred by the agreement. Admittedly, the notice had been issued, referring to the time for payment for the goods supplied to arise within 60 days and more importantly demanding interest at 18% p.a. The fact that the original invoice does not stipulate interest is irrelevant. If it does, there is no question of invoking the provisions of the Interest Act. Again, there is no question of the fact that the invoice does not stipulate when the payment is to be made. All that is necessary to solidify the liability is a demand for the same stipulating a period. The demand could be not merely of the debt but also of the interest. Again the proceeding could be not merely of the debt (that is the principal already paid) but also of the interest. As we have already out, there is such a demand for payment of interest both in the statutory notices and in the petitions. The problem here is that the petition itself is not a proceeding for recovery of debt nor is this process to be resorted as an arm-twisting tactics to recover interest. It is one thing to find that in a given case, there is a liability for interest but quite another to direct further proceedings towards winding up only for its non-payment, under legal advice or under bona fide perception that it is not payable. The rate of interest payable is also a contentious issue. At any rate, it could not be said that the defence regarding interest is a moonshine.

VII. Relevant conditions for winding up shall still be satisfied:

10. The Court below, while it recorded the finding that the interest at 18% per annum is payable by the company, although denied by the company, it could not have directed the non-payment of interest within 4 weeks from the date of the receipt of the order to result in further proceedings for winding up, without entering a definite conclusion that in its opinion, there exists an inability to pay the debt, dehors the companys perception (that could be also on account of the advice *received by it) that the interest need not be paid. It is that decisive finding that the company is unable to pay the debt that would conclude the issue. All the decisions of the Supreme Court referred to above, we have carefully borne in our mind and to this case, they are relevant to the extent that there is a bona fide dispute with regard to the debt which includes a compound of interest and there is no reason to conclude that there is a commercial insolvency of the company to pay the debt. The Division Bench ruling of the Calcutta Court has no relevance because, the decision refers to an instance where interest has been treated as included in the debt and hence awarded, but it does not advert to the issue of the courts power to make its non-payment on a bonafide dispute or on legal advice not to pay the sum a pre-condition to direct further proceedings in winding up process.*

8. The learned Single Judge of this Court in ***Premier Industries vs. Anusha International Ltd. ((2002) 109 Comp Cas 417)*** has held as follows:-

"2. The proceedings for winding up is a serious one concerning the very survival of the company and such survival is not to be judged on the strength of its inability to pay the interest, which it may dispute for the time being, when its ability to pay has been amply demonstrated by the payment of principal that is due. The winding up is not a substitute for recovery of the moneys due to a creditor by the normal method available to such a creditor, namely, by way of instituting a civil suit in the trial court. The winding up is meant for the benefit of all creditors, and is to be granted only when the financial condition of the company and other factors justify winding up.

3. The creditors are under the misconception in seeking a winding up as a substitute for *normal action in the civil court for recovery of moneys due to them. Assertions for payments of interest at the rate at which they claim to be paid is largely the basis of such a misconception. Wherever there is dispute which can be regarded as bona fide and wherever the company has demonstrated its ability to pay, there is no reason at all to hold that such a company is unable to pay its dues on the only ground that interest as claimed is not paid."*

9. In ***United Foundaries P. Ltd., vs. Sri Surya Narayana Paper and Board P. Ltd. ((2003) 117 Comp Cas 136)*** **,** the Division Bench of this Court has observed as under:-

"4. We carefully considered the above contention of the learned counsel for the appellant. When the respondent had disputed the claim of interest and since the appellant also received a sum of Rs. 35 lakhs, without any demur in respect of interest, the learned Judge took the view that the interest as claimed by the appellant is a debatable one, which cannot be decided in this proceeding.

5. We also agree with the view taken by the learned Judge for the simple reason that while receiving the sum of Rs. 35 lakhs, especially pending the Company Petition, it is for the appellant to raise objections with regard to interest. Without any specific protest, the appellant had received the sum of Rs. 35 lakhs and the respondent is now disputing the entitlement of the appellant for the interest. When that be so, the intention of the parties have to be considered only by taking evidence and not by mere interpretation of the receipt signed by the parties.

6. Hence, we do not find any infirmity in the judgment of the learned Judge in finding that the claim *of the appellant for the interest is a debatable one on the basis of the bona fide dispute raised by the respondent company, which cannot be gone into in this proceeding. Hence, we do not find any reason to differ from the view taken by the learned Judge. Hence, this O.S.A. No. 174/2001 is dismissed. No costs. "*

10. The ratio in the above three judgments is that when there is a dispute with regard to the claim of interest, the same cannot be looked into by the company court after the settlement of the claim. It is only the ability of the debtor company to settle the claim is to be considered.

11. The first Bench of this Court in *Rashid Leathers (P.) Ltd., vs. Super Fine Skin Traders ((1990) 68 CC 684= 1988 (1) MLJ 232)* has observed as under:-

"Apart from the provisions of the Sale of Goods Act, the Interest Act and the Civil procedure Code provided for payment of interest. In this case, it cannot be said that there is a Bona Fide dispute with regard to payment of interest. The liability to pay the principal was never in dispute. The claim for interest was made for the first time on 8.12.1982 by a lawyer's notice. Admittedly, the respondent did not send any reply to that notice. Thereafter, the petitioner has been repeatedly making demands for interest as well as the principal by several letters. In all the replies sent by the respondent, it had been assuring the petitioner that it would settle the claim. It had never demurred that it

was not liable to pay interest on the amount due. For the first time, the respondent raised the contention in the proceedings before the Company Court that it was not liable to pay interest if a dispute is raised just for the purpose of evading payment and delaying the proceedings, it cannot be considered to be a Bona Fide dispute."

12. The above judgment has been relied upon by the learned counsel for the applicant to contend that the claim of interest made for the first time in the notice cannot be entertained. However, upon perusing the judgment, the Hon'ble Division Bench at page 691 has awarded interest @ 12% per annum by holding as follows:-

"Unless there is a Bona Fide dispute with regard to the liability to pay the amount, the company Court was entitled to consider the matter under Section 433. In that view, we hold that the conclusion of the learned Judge that the respondent is liable to pay interest and that is a matter which has to be gone into in these proceedings is correct.

18. With regard to the rate of interest, we think that it is just and equitable in this case to award 12 per cent per annum. The petitioner will be entitled to interest at the uniform rate of 12 per cent per annum from 8.12.1982 till the date of payment.

19. It is contended by learned Counsel for the petitioner that the rate of interest should be fixed at 18 per cent per annum and it should be payable from the date which was mentioned in the notice dated 8.12.1982, issued by its *lawyer to the respondent. As we have pointed out already, there is no material on record to show that the prevailing rate of interest payable on bank deposits is 18 per cent per annum. While the Interest Act refers to the interest payable on deposits in Scheduled Banks, the Civil Procedure Code refers to the rate of interest charged by banks on loans advanced. This is not a proceeding for recovery of money as such. This is only a proceeding for winding-up the Company. In the exercise of our equitable jurisdiction, we are directing the respondent company to pay to the petitioner the amount due with interest thereon in order to avoid winding up of the company. Hence we consider that the interests of justice require to fix the rate of interest at 12 per cent per annum as stated above.*

20. Learned Counsel for the respondent contended that the Court should not fix more than six per cent. He relied upon the decision of the Supreme Court in Hirachand Kothari (Dead) Through L. Rs. v. State of Rajasthan, 98 L.W. 686 : A.I.R. 1985 S.C. 998. We have already referred to that decision and we find that decision does not lay down any principle of law that interest granted by Court should not exceed six per cent per annum. Hence, we reject this contention advanced on behalf of the respondent.

21. The payments made by the respondent on the various dates will be given credit on the respective dates and for the balance due on those dates the interest will be calculated. The parties are directed to file a calculation memo before the Company Court. The respondent will have four months' time from this date to pay the amount. It shall pay the entire amount on or before the expiry of four months. The Company petition will be called before the company Court on 13.6.1988."

13. The learned counsel for the creditor has also relied upon the very same judgment. In addition, the counsel has also relied upon the judgment of the Gujarat High Court in ***IFCI Ltd vs. Sofficial Liquidator of***

Patel Mills Company Ltd (In Liqn), wherein, it has been held as follows: -

"Rest of the claim of IFCI comprising interest only beyond the date of winding up order would be unsecured claim falling u/s. 530 of the Act. On verification of the workings of interest calculation accordingly, the unsecured claims of IFCI u/s. 530 of the Act is found as under :
Outstanding as on 22.01.1996 Rs.1,13,54,072 Interest from 23.01.1996 to 31.03.2012 Rs.2,45,03,455 Therefore, the claim against interest for the period from the date of winding up order up to 31.03.2012 amounting to Rs. 2,45,03,455/- would be unsecured claim u/s. 530 of the Companies Act, 1956 payable after payment of statutory preferential claims, if any, in full.

10. Considering the averments made in the application and considering both the reports filed by the Official Liquidator and also considering the verification report of the Chartered Accountant, it is clear that the applicant as an assignee of IIBI has a secured claim u/s. 529A of the Act amounting to Rs.1,13,54,072/- and hence the applicant is entitled to the said amount. As far as the claim of the interest is concerned, it is no doubt true that Rule 179 stipulates that in the event of surplus, after payment in full all the claims admitted to proof, the creditor whose proof has been admitted shall be entitled interest from the date of winding up order @ not exceeding 4% p.a. on the admitted amount of the claim. The Bombay High Court in the case of Rashtriya Mill Mazdoor Sangh (supra) has held that the claim of interest can be considered only if the company is left with surplus after distribution to the creditors and workers as per provisions of sections 529 and 529A of the Act and after distribution of preferential dues u/s. 530 of the Act. In the instant case, the claim of the applicant as assignee is verified by the Chartered Accountant and the Official Liquidator on the basis of such verification has found that admissible claim of the applicant as secured claim u/s. 529 of the Act is

Rs.1,13,54,072/- as mentioned hereinabove. From the report of the Chartered Accountant which is on record there are other claims which are yet to be considered. It is found from the report that certain preferential claims are also yet to be considered and therefore, at this stage, it cannot be said that all claims have been settled including preferential claim u/s. 530 and that the surplus is available. In the event therefore the claim of interest to the tune of Rs.2,23,27,463/- towards interest for the period after the date of winding up, a claim u/s. 530 as an unsecured creditor can be considered under Rule 179 of the Company (Court) Rules, 1959 at an appropriate stage as held by the Bombay High Court. "

14. Upon careful consideration of the pleadings, this court is of the view that the powers of the company court to award interest is not disputed in any of the above cases relied upon by the counsel for the applicant. In fact, in the judgment reported in 158 CC 50, the Division Bench of this Court has held as follows:-

"V. Courts power to award interest:

5. The power of the Court to award interest, while determining the existence of a debt cannot be doubted. The debt may include the interest component also. Where the contract specifies payment of interest, there is no difficulty in immediately arriving at the answer. However, only in cases, where the written contract itself does not contain a stipulation of interest, the answer could be secured by reference to the provisions of the Interest Act, 1978. The relevant section is section 3, which reads as under:

"3. Power of Court to allow interest- (1) In any proceedings for the recovery of any debt or damages or in any proceedings in which a claim for interest in respect of any debt or damages already paid is made,

the Court may, if it thinks fit, allow interest to the person entitled to the debt or damages or to the person making such claim, as the case may be, at a rate not exceeding the current rate of interest, for the whole or part of the following period, that is to say-

(a) if the proceedings relate to a debt payable by virtue of a written instrument at a certain time, then, from the date when the debt is payable to the date of institution of the proceedings;

(b) if the proceedings do not relate to any such debt, then, from the date mentioned in this regard in a written notice given by the person entitled or the person making the claim to the person liable that interest will be claimed to the date of institution of the proceedings;

provided that where the amount of the debt or damages has been repaid before the institution of the proceedings, interest shall not be allowed under this section for the period after such repayment.

(2) Where, in any such proceedings as are mentioned, in sub-section (1)- (a) judgment, order or award is given for a sum which, apart from interest on damages, exceeds four thousand rupees, and

(b) the sum represents or includes damages in respect or personal injuries to the plaintiff or any other person or in respect of a person's death, then the power conferred by the sub-section shall be exercised so as to include in that sum interest on those damages or on such part of them as the court considers appropriate for the whole or part of the period from the date mentioned in the notice to the date of institution of the proceedings, unless the court is satisfied that there are special reason why no interest should be given in respect of those damages.

(3) Nothing in this section-

(a) shall apply in relation to-

(i) any debt or damages upon which interest is payable as of right, by virtue of any agreement; or

(ii) any debt or damages upon which payment of interest is barred, by virtue of an express agreement;

(b) shall affect-

(i) the compensation recoverable for the dishonour of a bill of exchange, promissory note or cheque, as defined in Negotiable Instruments Act, 1881; or

(ii) the provisions of rule 2 of Order II of the First Schedule to the Code of Civil Procedure, 1908.

(c) shall empower the court to award interest upon interest."

6. Although the interest could well be a part of liability and hence included in the debt, the Act makes a dichotomy between a debt so called and interest for the purpose of the Act. The reading of the section (particularly, s.3(3)) makes it clear that the section is not attracted in relation to a debt where interest is payable as of right or in cases where there is an express bar under a particular agreement to pay interest. This is so because, in such a case, it is the express provision of the agreement between the parties that governs the issue of interest. If the circumstances in section 3(3) are not attracted, the next question is to examine, as laid down under section 3(1): (i) if there has been a demand for interest for the debt or damages in the proceedings or (ii) if in respect of the debt or damages already paid, a claim for interest is made. The court may, if it thinks fit, allow interest to the person entitled to the debt or to the person making such claim (where the debt is paid already) from the period as stipulated in 3(1)(a): from the date when the debt is payable by virtue of a written instrument at a certain time (that is, when the time is specified in the written instrument) to the date of institution of proceedings or as stipulated in 3(1)(b): from the date mentioned in a written notice to the date of institution of proceedings."

15. It is pertinent to mention here that in all the above cases, the claim of interest was disputed in the winding up proceedings, i.e before the order of winding up was passed. In the present case, the applicant has approached this Court much later after the order was passed and in the circumstances mentioned earlier. This court has carefully perused the affidavit filed in support of the applications. The applicant has once again attempted to build a castle in air raising the plea of counter claim. This court had already rejected the contentions in the reply notice at the time of winding up of the company and therefore the same cannot be accepted. The applicant has not produced any documents to show that the company was in a position to clear the debt on the date of the application or immediately after the notice. It is only after a threat was posted to the godown, the applicant has approached this court.

16. Even though, the creditor/petitioner has not raised any demand in the statutory notice, it can be seen from the statement of accounts filed by them that they have been paying interest to the bank. Such a claim was made even ealier and the same is also not disputed. If there was really any counter claim to the tune of Rs 35,000/-, the applicant if had been in a sound position would have withheld Rs 35,000/- and settled the claim immediately upon notice. The conduct of the applicant only shows that the company was either not doing well or he had diverted the funds for some other business. Therefore, this court, in the facts and circumstances of the case holds that the petitioner/creditor would be

entitled to interest.

17. The creditor/petitioner has claimed interest@ 15 % per annum.

18. Rule 156 of the Company Court Rules reads as follows:

156. Interest

On any debt or certain sum, payable at a certain time or otherwise whereon interest is not reserved or agreed for, and which is overdue at the date of the winding-up order, or the resolution as the case may be, the creditor may prove for interest at a rate not exceeding four per cent per annum up to that date from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made, giving notice that interest will be claimed from the date of demand until the time of payment.

19. As per the above Rule, the creditor would be entitled to interest @ 4%. However, Rule 9 which deals with inherent powers reads as under:-

Rule 9. **Inherent powers of Court**

Nothing in these Rules shall be deemed to limit or otherwise affect the inherent powers of the Court to give such directions or pass such orders as may be necessary for the ends of justice or to prevent abuse of the process of the Court

20. Therefore, this court is of the view that the interest @ 12 %

would be reasonable. Therefore, creditor/petitioner would be entitled to interest @ 12% from 11.03.2014 till repayment.

21. In so far as the costs are concerned, the learned counsel for the applicant has relied upon Rule 339 of the Company Court Rules, which read as under:-

339. Taxation of costs in Bombay, Calcutta and Madras

Notwithstanding anything contained in these rules, costs of all proceedings under the Act or these rules in the High Courts of Bombay, Calcutta and Madras shall be taxed in accordance with the rules and the scale of fees in force in the said High Courts respectively and in accordance with the practice and procedure in the said respective Courts.

22. Order III of the High Court Fee Rules read as under:-

"If the costs of an interlocutory application or order are not paid within seven days from the date of the allocatur of the Taxing Officer, or when the same are ascertained without taxation, under the preceding rule, or otherwise, or within seven days from the date of the order awarding the same, the party to whom costs are awarded may apply by summons or on the hearing of any application by the party in default, that all or any proceedings in the suit or matter may be stayed, or set aside, or that any subsequent step taken by the party ordered to pay such costs may be set aside for irregularity, and the Court thereupon may make such order as it thinks fit.

23. The above provision has been relied upon by the learned counsel for the applicant to contend that in view of the fact that no order as to costs was passed by this court on 11.03.2014, the creditor/petitioner is not entitled to any costs. This court is unable to accept the contention. It is only when the costs are not awarded, the petitioner is prevented from claiming the same. The applicant has come forward before this court to recall the orders exercising the inherent powers under Rule 9. Therefore, while passing an order to recall its earlier order, this court is certainly entitled to modify the order and award costs. In the facts and circumstances of the case, this court feels that the applicant is liabile to pay costs of Rs. 10,000/-.

24. In so far as expenses are concerned, this court finds that the contention of the applicant company is to be inexplicable. The official liquidator was appointed and steps have also been initiated. There have been several visits by the officials from the office of the liquidator. The directors have also submitted the statement of affairs to the official liquidator. If the applicant had wanted to avoid the payment of expenses, the applicant must have settled the issue at the earliest point of time. Upon perusal of the statutory notice, the petitioner has also proposed to saddle the applicant with the costs, which would definitely include the expenses.

25. Rule 338 of the Company court Rules reads as under:

338. Cost and expenses payable out of the assets in a winding-up by the Court

(1) The assets of a company in a winding-up by the Court remaining after payment of the fees and expenses properly incurred in preserving, realizing or getting in the assets including, where the company has previously commenced to be wound-up voluntarily, such remuneration, costs and expenses as the Court may allow to the liquidator in such voluntary winding-up, shall, subject to any order of the Court and to the rights of secured creditors, if any, be liable to the following payments which shall be made in the following order of priority, namely -

First - the taxed costs of the petition, including the taxed costs of any person appearing on the petition whose costs are allowed by the Court;

Next - the costs and expenses of any person who makes, or concurs in making, the company's statement of affairs;

Next - the necessary disbursements of the Official Liquidator other than expenses properly incurred in preserving, realizing or getting in the properties of the company;

Next - the costs of any person properly employed by the Official Liquidator;

Next - the fees to be credited to Government under section 451(2);

Next - the actual out of pocket expenses necessarily incurred by the members of the Committee of Inspection, and sanctioned by the Court.

(2) Save as otherwise ordered by the Court, no payments in respect of bills of advocates, shall be allowed out of the assets of the company without proof that the same have been considered and allowed by the taxing officer of the Court. The Taxation Officer shall before passing the bills or charges of an advocate, satisfy himself that the appointment of an advocate to assist the liquidator in the performance of his duties has been duly

sanctioned.

(3) Nothing contained in this rule shall apply to or affect costs which, in the course of legal proceedings by or against the company which is being wound-up by the Court, are ordered by the Court in which such proceedings are pending, to be paid by the company or the liquidator, or the rights of the person to whom such costs are payable.

26. As per the above rule, the costs and expenses would be recovered from the sale of the assets of the company. As already stated above, but for the present applications, this court would have issued directions for sale and disbursement. Hence this court is of the view that the petitioner is entitled to the actual expenses incurred by them. Though the petitioner has claimed to have spent Rs 80,000/- no proof is produced for the same. Obviously, it would include the counsel's fee, costs towards notices and the amount deposited with official liquidator towards expenses. Hence, the petitioner is directed to file a fresh claim indicating the expenses incurred by them and the proof for payment.

27. In view of the above, there shall be a direction to the creditor/petitioner to file a fresh statement of claim in the above lines within two weeks from the date of receipt of a copy of this order with the official liquidator after serving a copy of such claim to the applicant and/or his counsel and the applicant/creditor shall pay the claim within two weeks thereafter and furnish the proof to the official liquidator. Upon such payment, the order dated 11.03.2014 passed by this Court in C.P No 9 of

2013 would stand recalled. In case of the failure of the applicant to settle the claim, the official liquidator is at liberty to execute the order dated 02.12.2014 of this court and proceed in accordance with law. Status quo as directed by this Court shall be maintained until further orders.

With the above directions, the Company Applications are disposed of.

rnb 27.4.2015

R. MAHADEVAN, J.

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