THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

COMPANY APPLICATION Nos.650 to 656 of 2015

in C.P.Nos.11, 16, 13, 15, 12, 10 and 14 of 1999

-

13.04.2015

Between:

M/s.Saptagiri Financiers (in liqn.) and others

…Applicants

Counsel for the Applicants: Mr.M.Anil Kumar

for Official Liquidator

The Court made the following:

-

-

-

-

-

-

-

–

–

–

–

COMMON ORDER:

These Company Applications have been filed for the following prayers:

i. to take the revised list of creditors of the applicants, vide *form* 71 of the Company (Court) Rules, 1959 (for short 'the Rules') filed as Annexure A in the respective company applications on record;

ii. permission be accorded to the Official Liquidator to declare and disburse final dividend towards interest at the contractual rate mentioned in the fixed deposits and where there is no specific contractual rate, same has been calculated @ 6% as provided under Section 48 of Provincial Insolvency Act, 1920, which is applicable in the course of winding up, in respect of respective creditors of the applicants which would work out to the amount mentioned in Annexure C of the respective company applications from and out of the funds of the firms under liquidation;

iii. permission be accorded to open a separate dividend account in Punjab National Bank, Bank Street, Koti, Hyderabad, or any such other Bank and permit to transfer respective sum in terms of Rule 290 of the Rules for disbursement of dividend and keep the dividend account opened for a period of six months;

iv. permit the Official Liquidator to dispense with the publication of notice of dividend in newspapers;

v. permit the Official Liquidator to send individual notice of dividend in *form* 138 along with receipt to the proposed creditors;

vi. permit the Official Liquidator to transfer the unpaid dividend, if any, remaining in the dividend account, after expiry of six months period to companies liquidation account, in terms of Section 555 of the Companies Act, 1956 (for short 'the Act');

vii. permit the Official Liquidator to pay dividend amount to any deceased creditor to his/her legal heirs after obtaining necessary documents in terms of Rule 280 of the Rules;

viii. permit the Official Liquidator to take all necessary actions and steps which are incidental for declaration and disbursement of dividend, to effectively implement the orders of the Court in that regard; and

ix. order the costs of the respective company applications do come out of the assets of the firms in liquidation.

Separate affidavits have been filed by the Official Liquidator in all these company applications, wherein it is, *inter alia,* stated that in C.P.Nos.10 to 16 of 1999, the Official Liquidator of this Court was appointed as Provisional Liquidator on various dates in 1999. This Court also by orders, dated 26.11.1999, ordered provisional winding up of the seven firms in C.P.Nos.10 to 16 of 1999 and orders finally winding up the said firms were passed on 02.09.2002. The Official Liquidator has taken possession of the immovable properties and also sold the same for discharging the liabilities of the said firms and maintained common account in respect of all the firms as the value of the property of each firm is not known to him. During the course of winding up proceedings and in pursuance of this Court's order, dated 27.11.2007 in C.A.No.1668 of 2007, the Official Liquidator has invited the claims of the creditors of these firms. In all, various claims of the creditors of these firms were received. The Official Liquidator has given the details of the amounts admitted, total number of claims admitted and total number of claims rejected in respect of each of these firms in the respective affidavits filed in support of these company applications.

By orders, dated 25.09.2008 in C.A.(SR)No.5263 of 2008, dated 03.03.2009 in C.A.No.154 of 2009, dated 31.03.2010 in C.A.No.223 of 2010 and dated 20.04.2011 in C.A.No.545 of 2010, this Court has allowed payment of 100% dividend to the creditors, whose claims have been admitted to proof. Subsequently, C.A.Nos.409 and 441 of 2015 were filed for varying the list of creditors and for making payment to three more creditors and interest to all the creditors of seven firms. However, the said company applications were dismissed as withdrawn, vide this Court's common order, dated 23.03.2015. Hence, these Company Applications.

By common order, dated 06.04.2015, passed by this Court in Company Application Nos.519, 520, 521, 562, 563, 566, 567 and 568 of 2015 in C.P.Nos.10, 16, 15, 11, 13, 12, 14 of 1999 and 103 of 2008 respectively, this Court has directed refund of the balance amount to the investors in all these firms.

In view of the above facts and circumstances of the case, all the prayers in all these Company Applications are allowed.

(C.V.NAGARJUNA REDDY, J)

13th April, 2015

GHN

Mr.L.Venkateswar Rao, learned counsel for the respondents, submitted that his clients are fully satisfied with the calculations made by the Official Liquidator and that they are willing to receive the amounts offered by the Official Liquidator.

In the light of the above submissions, the Official Liquidator is directed to make payment of return of capital in respect of the respondents as per the calculations shown in the respective company applications.

At the hearing, it is submitted that the amounts are lying in fixed deposit of State Bank of India, State Bank of Hyderabad and Punjab National Bank. Therefore, it is appropriate that separate bank accounts are opened in respect of the respective respondents and the amounts lying in the fixed deposit are transferred to these accounts proportionately. It is further ordered that the costs of these company applications do come out of the assets of the firms in liquidation.

These Company Applications are accordingly allowed.