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

COMPANY APPLICATION Nos.376 and 377 of 2015

in

C.P.No.103 of 2008

17.03.2015

Between:

M/s. Commercial Chits Corporation (in liqn.)

…Applicant

Counsel for Official Liquidator: Mr. M.Anil Kumar

The Court made the following:

COMMON ORDER:

Company Application No.376 of 2015 is filed by the Official

Liquidator of M/s. Commercial Chits Corporation (in liqn.) for taking certificate in *form* 71 in respect of the company in liquidation relating to the claims of its secured creditors with the memorandum of admission/rejection of the claims; to direct the Registrar to notify the said *form* 71 on the notice board of this Court in terms of Rule 169 of the Companies (Court) Rules, 1959 (for short 'the Rules') and to order that the costs of this application do come out of the assets of the firms in liquidation.

Company Application No.377 of 2015 is filed by the Official Liquidator of M/s. Commercial Chits Corporation (in liqn.) for the following reliefs:

i. permit the Official Liquidator to declare & disburse dividend @ 100 paise in a rupee of admitted amounts in respect of 119 creditors which would works out to Rs.1,10,44,376.00 as per Annexure-A;

ii. permit the Official Liquidator to declare and disburse interest at the contractual rate to the FD Holders and 6% interest to all other creditors where no specific rate of interest was mentioned, up to the date of declaration of dividend i.e., 31.01.2015 which works out to Rs.84,63,877.00 as per Annexure – B from and out of the funds of the firms under liquidation;

iii. permit the Official Liquidator to open a dividend account with Punjab National Bank, Bank Street, Koti, Hyderbad and transfer an amount of Rs.1,95,08,253.00 and keep in force for a period of 6 months;

iv. permit the Official Liquidator to publish notice of declaration of dividend in two News Papers viz., Andhra Jyothi and Indian Express circulated at Chittoor District as required under Rule 276 of the Companies (Court) Rules, 1959;

v. permit the Official Liquidator to send individual notices of dividend in Form No.138 along with 139;

vi. permit the Official Liquidator to transfer the unpaid dividend, if any, in the dividend account, after expiry of 6 (six) months period into the Companies Liquidation Account, in terms of Section 555 of the Companies Act, 1956;

vii. authorize the Official Liquidator to pay dividend due of any deceased creditor to his legal heirs upon production by such legal heirs, a family member certificate or such other certificate issued by Mandal Revenue Officer or any such competent authority, instead of production of a succession certificate and also upon furnishing personal indemnity, in terms of Rule 280 of the Companies (Court) Rules, 1959;

viii. permit the Official Liquidator to take all necessary action and steps which are incidental to declaration and payment of dividend and to effectively implement the orders of this Hon'ble Court in that regard;

ix. order that the costs of this application do come out of the assets of the company (in liqn.); and

pass such further or other order….."

In the affidavit filed in support of these applications, the Official Liquidator has, *inter alia,* averred that he has invited claims from the creditors of the company as per the order, dated 06.09.2010, passed by this Court in Company Application No.693 of 2010, by way of publication of notice in the newspapers; that in response to the said notice, he has received as many as 137 claims; that upon investigation, the claims were adjudicated; that as per the said adjudication, 119 claims were admitted either fully or partly for a sum of Rs.1,10,44,376.00ps; that in respect of the fixed deposit holders, contractual rate of interest was allowed, while in respect of other creditors, interest at the rate of 6 % .p.a. was allowed; and that 18 claims was rejected fully.

This Court, by order, dated 10.03.2015, has condoned the delay of 1425 days in filing the certificate in *form* 71 of the Rules by the Official Liquidator.

The Official Liquidator further submitted that in respect of deposits of seven companies in liquidation, a sum of Rs.4,77,09,265.27ps was paid as dividend. He has, therefore, prayed for permitting him to declare and disburse the dividend at the rate of

100 paise in a rupee of the admitted amounts in respect of 119 creditors, which worked out to Rs.1,10,44,376.00; to permit him to declare and disburse interest at the contractual rate to the fixed deposit holders and at the rate of 6% p.a. to all other creditors, where no specific rate of interest was mentioned up to the date of declaration of dividend, which worked out to Rs.84,63,877.00; and to permit him to open a dividend account with Punjab National Bank, Hyderabad, and transfer a sum of Rs.1,95,08,253.00 and keep the same in force for a period of six months. The Official Liquidator has also sought for permission to publish notice of declaration of dividend in newspapers indicated by him besides sending individual notices in *form* 138 along with *form* 139. He has further sought for permission to transfer the unpaid dividend, if any, in the dividend account after expiry of six months period into the companies liquidation account in terms of Section 555 of the Companies Act, 1956.

In the light of the reasons assigned in the affidavit filed by the Official Liquidator in support of these applications, all the prayers made in these two company applications are allowed.

The Company Applications are accordingly allowed.

(C.V.NAGARJUNA REDDY, J)

17th March, 2015
GHN