

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 16.10.2020

C O R A M

THE HONOURABLE Ms. JUSTICE P.T. ASHA

I.P.No.113 of 2002
and
A.Nos.58 to 61 of 2020

K.R. Jothilal

...Petitioner

Prayer: Petition filed under Section 10,11, 14 and 15 of Presidency Town Insolvency Act and Order 11 Rule 1 of Insolvency Rules to pass an order adjudicating the petitioner as insolvent.

For Petitioner : Mr.A.Alagarsamy

ORDER

The insolvency petition is a debtor petition. The petitioner was adjudicated as insolvent by orders of this Court dated 27.06.2002.

Pursuant to the said order, all the assets of the insolvent wherever situate vest with the Official Assignee for realization and distribution among the general body of the creditors. The insolvent has filed Schedule of Affairs

disclosing liabilities to an extent of Rs.1,08,26,450/- due to 43 unsecured creditors and there were no secured creditors and debtors. After notices were sent to the 15 unsecured creditors they have filed their claims before the Official Assignee for a total sum of Rs.26,58,387/- and the same have been admitted for a sum of Rs.22,21,680/-. One secured creditor had filed a claim for Rs.23,94,225/-. The said claim was admitted for a sum of Rs.7,98,655/- vide order dated 07.05.2004 and the said sum has also been paid to the secured creditor. The immovable property belonging to the insolvent was brought to sale by public auction and was sold to the highest bidder for a sum of Rs.25,00,000/- and the sale was confirmed in their favour by orders of this Court dated 04.08.2003 in I.P.No.113 of 2002.

2.The insolvent who has to file discharge application within a period of 18 months from the date of receipt of a copy of the order of adjudication has failed to comply with the direction of this Court. Therefore, the Official Assignee had filed a report praying to annul the order of adjudication. By order dated 06.07.2016, the order of adjudication was

also annulled. It was informed that the insolvent had died on 07.02.2007 leaving behind his surviving legal heirs.

<i>Sl.No.</i>	<i>Name</i>	<i>Relationship for the deceased</i>
1	Dhanalakshmi K.J.	Wife
2	Sathishbabu K.J.	Son
3	Rajababu K.J.	Son
4	Hema	Daughter
5	Kamalesh Babu K.J.	Son

3.A sum of Rs.26,69,555/- was collected in this estate. The amount has been periodically invested in the Indian Bank, High Court Branch in Fixed Deposits. The said amount accumulated to a sum of Rs.45,46,445/-. Out of which the sum of Rs.7,98,655/- was paid to the secured creditors and after setting apart, a sum of Rs.1,86,869/- towards Government Commission and Rs.43,145/- towards administration expenses, etc., A sum of Rs.34,89,940/- is available in the estate. Out of the said sum, Rs.22,21,680/- can be paid as dividend at the rate of 100 paise in a rupee to the 15 proved unsecured creditors and leaving the surplus of Rs.12,68,260/-. Therefore, the Official Assignee has filed a report seeking for the

following orders:

“(i)To declare Dividend at the rate of 100 paise in a rupee to the extent of Rs.22,21,680/- along with notional interest at the rate of 6% per annum, amounting to Rs.3,76,295/- totalling to a sum of Rs.25,97,975/- to the 15 proved unsecured creditors.

(ii)To disburse the sum of Rs.25,97,975/- to the 15 proved unsecured creditors.

(iii)To disburse the surplus amount of Rs.8,91,965/- to the legal heirs of the deceased insolvent

(iv)To lose the administration of the estate and terminate the insolvency proceedings in I.P.No.113 of 2002 insolvency of K.R. Jothilal.”

4.Today, when the matter was posted the Official Assignee submitted that the report was filed in the month of March 2020 and thereafter, interest have accumulated on the amounts. Considering the above, the following orders have been passed:

a.The dividend at the rate of 100 paise in a rupee to an extent of Rs.22,21,680/- together with notional interest of 6% per annum amounting to Rs.3,76,295/-, totalling to a sum of Rs.25,97,975/- is declared to the 15 proved unsecured creditors.

b.The above sum of Rs.25,97,975/- shall be paid to the 15 proved unsecured creditors.

c.The surplus amount of Rs.8,91,965/- together with accumulated interest from March 2020 from today, shall be payable to the legal representatives of the deceased insolvent.

The insolvency proceedings in I.P.No.113 of 2002 insolvency of K.R. Jothilal is terminated and the administration of the estate is closed. Consequently, connected applications are closed.

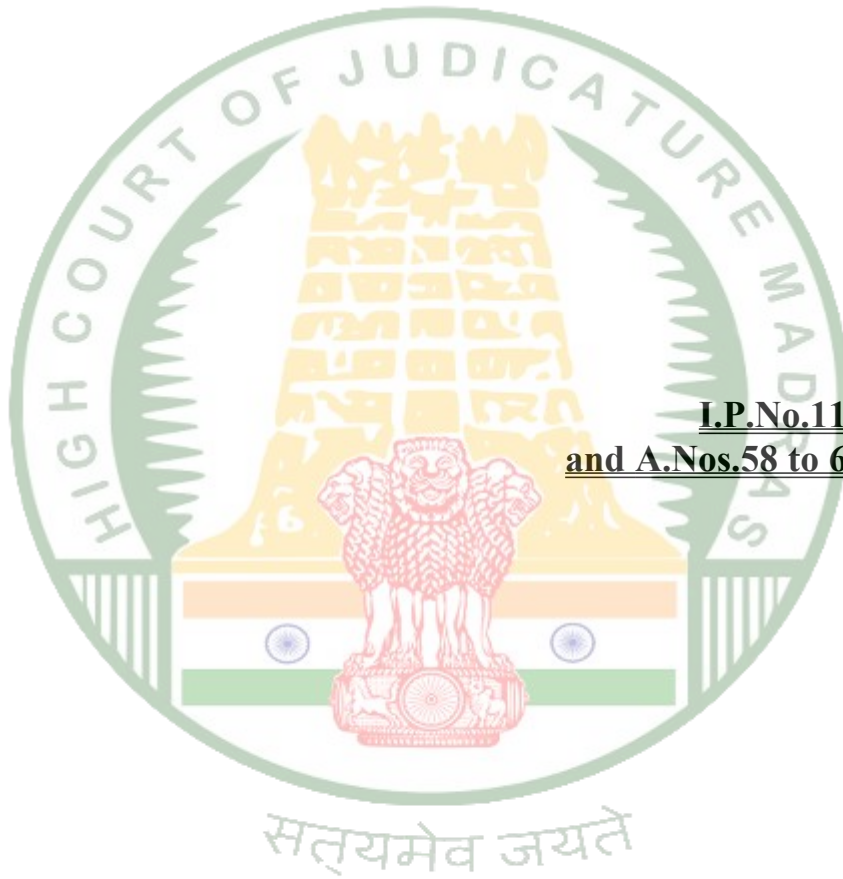
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Speaking / Non-Speaking
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