

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY APPLICATION No. 1157 OF 2016

IN

R.C.C. No. 11 OF 2001

ORDER:

This Application has been taken out essentially seeking the following substantive reliefs:

- i) To declare a dividend @ 100 paise in a Rupee to individual workman & preferential creditors amounting to Rs.1,14,622.50 Ps. & Rs.20,37,924-14 Ps. respectively and @ 61.20% to unsecured creditors amounting to Rs.4,58,50,924-44 Ps., the details of the said creditors furnished separately in Annexure-"B";
- ii) authorize the Official Liquidator to open a separate dividend account in Punjab National Bank and pay the declared dividend to eligible creditors out of the said account in terms of Rule 290 of the Companies (Court) Rules, 1959;
- iii) dispense with the publication of notice of dividend in newspapers;
- iv) authorize the Official Liquidator to send individual notices of dividend to office bearers of the Union (in case of claim filed by Union) and individually to others in Form No. 138 along with proforma of receipt;
- v) authorize the Official Liquidator to fix the schedule for making payment;
- vi) authorize Official Liquidator to transfer the un-paid dividend, if any remaining in the dividend account, after the expiry of (six) 6 months period to Companies Liquidation Account, in terms of Section 555 of the Companies Act, 1956;
- vii) authorize the Official Liquidator to dispense with the production of succession certificate from the Legal Heirs as required under Rule 280 of the Companies (Court) Rules, 1959 and authorize to pay the dividend due to any deceased creditor to his/her legal heirs upon production of legal heir certificate from the concerned authority, on furnishing personal indemnity bond and no objection from other legal heirs upon satisfying the right of such legal heir; and
- viii) authorise the Official Liquidator to take all necessary actions 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.

By an order dated 09.07.2001 in R.C.C. No. 22 of 2000, this Court ordered winding up of M/s Tungabhadra Industries Limited (company in liquidation) and appointed the Official Liquidator as its Liquidator.

It is stated that the assets of the company in liquidation were sold and sufficient amount was credited to the account of the company in liquidation. Hence, pursuant to the directions issued by this Court from time to time, the Official Liquidator has invited claims from the creditors of the company by way of advertisement, claims of the secured and the unsecured creditors have been adjudicated and accordingly, a certificate in Form No. 71 has been filed before this Court admitting a sum of Rs.59,08,48,585-08 ps. as secured debt and Rs.18,49,485-14 ps. towards preferential debt. Payment of dividend was made to the secured creditors and the workmen of the company in liquidation. In spite of that, still a sum of Rs. 5 crores is available to the credit of the company. Therefore, the claims of the remaining creditors were taken up for adjudication. Considering the fact that the preferential creditors' claims have been admitted for Rs.20,37,924-14 ps. and of unsecured creditors for Rs.7,49,19,811-17 ps. and considering the availability of funds to the credit of the company, this Application has been taken out for declaring and making payment of dividend to preferential and unsecured creditors @ 100% and 61.20% respectively.

Perused the material on record. Taking into account and consideration the submission made by the learned counsel for the Official Liquidator, all other claims having been adjudicated, the Official Liquidator is permitted to disburse the final dividend amount to the workmen and the preferential creditors amounting to Rs.1,14,622.50 ps. and Rs.20,37,924-14 ps. respectively and to the unsecured creditors amounting to Rs.4,58,50,924-44 ps. The

Official Liquidator shall take necessary steps for dissolution of the company.

With this, the Company Application is ordered in all respects. No costs.

CHALLA KODANDA RAM, J

08th September 2016

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