THE HON'BLE SRI JUSTICE M.S.RAMACHANDRA RAO

<u>COMPANY APPLICATION No.733 of 2017</u>
in
<u>COMPANY PETITION No.671 of 1996</u>

<u>ORDER:</u>

This application is filed by the Official Liquidator seeking the following reliefs:

> *"i. permit the Official Liquidator to declare and disburse further dividend @ 0.29076175% against the admitted secured debt of Rs.7,46,31,550/-, which works out to Rs.2,17,000/- to the Sole Secured Creditor viz., IDBI as detailed in Para-3.*
>
> *ii. dispense with opening of separate dividend account in terms of Rule 290 of the Companies (Court) Rules, 1959, and permit the Official Liquidator to pay the proposed further dividend directly from the P.D.Acount maintained by the Official Liquidator.*
>
> *iii. dispense with the publication of notice of dividend in newspapers.*
>
> *iv. authorize the Official Liquidator to send notice of dividend in Form No.138 to the sole secured creditor.*
>
> *v. authorize the Official Liquidator to fix the schedule for making payment and permit him to take necessary steps for disbursement of proposed dividend.*
>
> *vi. order that the costs of this application do come out of the Estate of the Company (in Liqn.)".*

2. It is not in dispute that by order dt.09-07-1997 in C.P.No.67 of 1996, this Court directed winding up of M/s.Magno Mining Company Limited and appointed the Official Liquidator as it's Liquidator.

3. Pursuant to the common orders passed by this Court on 08-09-2016 in C.A.Nos.1291 and 1290 of 2016, first dividend of Rs.2,31,25,000/- was declared and disbursed to the sole secured creditor IDBI.

4. According to the Official Liquidator, as on date, a sum of Rs.2,22,527/- is available to the credit of the Company in liquidation and that it can be utilized for declaration and disbursement of further dividend after retaining Rs.5,527/- for meeting the Central Government fee, audit fee and liquidation expenses. The Official Liquidator therefore seeks permission of this Court to declare and disburse further dividend to the sole secured creditor IDBI, an amount of Rs.2,17,000/-.

5. Having regard to the fact that the said amount is available with the Official Liquidator for disbursement of dividend, permission is accorded as sought for. Consequently, a separate dividend account, in terms of Rule 290 of the Companies (Court) Rules, 1959 be opened in a Nationalised Bank and the Official Liquidator is permitted to pay the proposed dividend directly to the said account from the P.D. account maintained by him. The publication of notice of dividend in newspapers is dispensed with since it would involve incurring of high expenditure and the Official Liquidator is authorized to send the notice of dividend in Form No.138 to the sole secured creditor. He is also authorized to fix a schedule for making payment and is permitted to take

necessary steps for disbursement of the proposed dividend and the cost of this application be met out of the estate of the company in liquidation.

6. This application is allowed accordingly.

JUSTICE M.S.RAMACHANDRA RAO

Date: 24-08-2017
Vsv