HON'BLE SRI JUSTICE M.S.RAMACHANDRA RAO

Company Application No.774 of 2017
in
C.P.Nos.12 of 1996 & 236 of 1998

ORDER:

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

> *"i) permit the Official Liquidator to declare and disburse further dividend @ 1.823456% amounting to Rs.10,15,000/- against the admitted secured debt of Rs.5,56,63,524.02 to the sole secured creditor viz., Indian Bank, ARM Branch-II, Chennai, as detailed in para-5.*
>
> *ii) dispense with the 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 Personal Deposit Account 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 and*
>
> *vi) order that the costs of this application do come out of the Estate of the Company (in lian.)"*

2. M/s. Sree Jagannath Steels Limited was wound up by order dt.07-09-1999 in C.P.No.12 of 1996 and 236 of 1998 by this Court. The assets of the company such as lands and buildings were

sold for Rs.231.00 lakhs and the same was confirmed by this Court vide order dt.27-10-2006 in C.A.No.1348 of 2005 in C.P.No. 236 of 1998.

3. On 30-08-2010 in C.A.No.661 of 2010, this Court had taken on record the list of creditors of Company in liquidation in Form 71 on record. By order dt.06-09-2010 made in C.A.No.662 of 2010, the first dividend at 47.84% amounting to Rs.2,66,26,772.19 against the admitted debt was declared and disbursed to the sole secured creditor viz., Indian Bank.

4. The Official Liquidator submits that an amount of Rs.10,24,435.74 is lying to the credit of the company in liquidation. If a sum of Rs.9435.74 is retained to meet Central Government fee, audit fee and liquidation expenses, the balance of Rs.10,15,000/- is available for declaration and disbursement of further dividend to the sole secured creditor-Indian Bank. Therefore, he seeks permission to declare and disburse the same to the secured creditor.

5. Permission is accorded as sought for. The Official Liquidator shall open separate dividend account in terms of Rule 290 of the Companies (Court) Rules, 1959 for the said purpose in a Nationalized Bank. Publication of notice of dividend in newspapers is dispensed with and he is authorized to send notice of dividend in Form138 to the sole secured creditor. The costs of this application are permitted to be taken out of the estate of the company in liquidation.

6. Application is accordingly allowed as above.

JUSTICE M.S.RAMACHANDRA RAO

Date: 31-08-2017
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