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

COMPA No.817 of 2017

O R D E R:

M/s Regency Diaper Industries Limited, a company registered under the provisions of Companies Act, 1956, was ordered to be wound up by this Court by order dt.11.12.2001 made in R.C.C.No.1 of 1996.

2. The Official Liquidator was appointed as its liquidator. He sold the assets of the Company for Rs.80.50 lakhs as per the order dt.16.09.2005 made in COMP.A No.33 of 2005.

3. This Court by order dt.21.12.2005 in COMP.A.No.1339 of 2005 directed the Official Liquidator to invite claims from the creditors of the Company in Liquidation, pursuant to which, claims were received from IFCI and UTI, and they were adjudicated. List of creditors in Form No.71 was taken on record.

4. The Official Liquidator states that further claims received from ARCIL, who have charge on current assets, and Oman International Bank, Commercial Tax Department and K.S.Varma, who are unsecured creditors, have not been adjudicated, since these claims rank only second and third respectively after the claims of secured creditors and they are unlikely to get any dividend, since there are no sufficient funds. He also states that as of now Rs.81,19,235.79 paise has already been paid as dividend to IFCI and Unit Trust of

India and only Rs.1,02,385/- is available to the credit of the Company in Liquidation, out of which Rs.5,000/- is required for meeting future liquidation expenses. He states that the balance of Rs.97,385/- is available for payment of further dividend to secured creditors and seeks permission of the Court to pay the same.

5. In view of the said report of the Official Liquidator, this application is allowed. The Official Liquidator is permitted to (i) declare further dividend @ 0.039% in a rupee to IFCI and UTI of the amount of Rs.97,385/- available to the credit of the Company in Liquidation; (ii) open a separate dividend account in Punjab National Bank and pay dividend to the above named secured creditors in terms of Rule 290 of the Companies (Court) Rules, 1959; (iii) dispense with adjudication of claims of other creditors whose claims are unlikely to yield any dividend; (iv) dispense with publication of notice of dividend in newspaper, as it would involve unnecessary expenditure and he is authorized to send individual notices of dividend in Form No.138 along with receipt to the above named secured creditors; (v) fix three months time for payment of declared dividend; and (vi) meet costs of this application from out of the Estate of the Company in Liquidation.

M.S.RAMACHANDRA RAO, J

05th October, 2017.
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