THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY
<u>COMPA.No.920 of 2017</u>
<u>in</u>
<u>R.C.C.No.10 of 1999</u>

<u>O R D E R</u> :

This Company Application is filed for an order to-

i. permit the Official Liquidator to declare and disburse final dividend @ 0.3746604 paisa in a rupee, an amountof Rs.4,63,684/- to IDBI & Rs.1,99,101/- to IFCI and @0.0381251 paisa in a rupee an amount of Rs.12,297/- to SBI & Rs.4,775/- to Kotak Mahindra Bank Ltd., the secured creditors against the admitted secured debt.

ii. authorize Official Liquidator to open a separate dividend account in Punjab National Bank and to pay the final dividend to the secured creditors of the company (in liqn.) out of the said account, in terms of Rule 290 of the Companies (Court) Rules, 1959.

iii. permit the Official Liquidator to dispense with the publication of notice of dividend in newspapers.

iv. permit the Official Liquidator to send notice of dividend in Form No.138 along with receipt to the secured creditors of the company (in Liqn.)

v. permit the Official Liquidator to fix the schedule for making payment and permit to take necessary steps for disbursement of final dividend.

vi. authorise Official Liquidator to transfer the un-paid dividend, if any, remaining in the dividend account, after the expiry of the 6 (six) months period to Companies Liquidation Account, in terms of Section 555 of the Companies Act, 1956.

vii. order that the costs of this application do come out of the assets of the Company (In liqn.).

2. This Court, by Order dated 26.07.1999 in R.C.C.No.10 of 1999, directed the winding up of the applicant company and appointed the Official Liquidator as its Liquidator and the Official Liquidator as per the directions of this Court, sold the assets of the company and realized an amount of Rs.2,43,71,000/-.

3. In the affidavit, the Official Liquidator submits that as per the directions of this Court in C.A.Nos.147 and 148 of 2010 dated

14.02.2010, dividends have been disbursed and as on 31.10.2017, a sum of RS.6,87,857/- is available to the credit of the Company in liquation and considering the availability of the funds, further dividend is proposed, after retaining a sum of Rs.8,000/- for meeting the Central Government fee, etc. Therefore, it is submitted that a sum of Rs.6,79,857/- is available for declaring and disbursement of dividend.

4. The Official Liquidator submitted that Rule 275 of the Companies (Court) Rules, 1959, stipulates that no dividend for the creditor or return of capital to contributories, shall be declared by the Official Liquidator without the sanction of this Court and Rule 276 of the said rules stipulate that the Official liquidator shall give notice of the declaration of dividend, not less than one month prior to the date fixed for payment and unless otherwise directed by the Court, such notice shall be given by advertisement in Form No.137 in such newspaper as this Court shall direct by sending pre-paid letter post under certificate of posting by giving a notice in Form No.138 to the secured creditors and, therefore, the that the Court may dispense with the publication of dividend notice in news papers.

5. The Official Liquidator further submitted that in order to disburse dividend, as per Section 555 of the Companies Act, 1956, a separate Dividend account shall be opened.

6. Having regard to the facts stated in the application and having heard Mr.M.Anil Kumar, learned counsel for Official Liquidator, this Court is satisfied that this application deserves to be allowed.

7. In view of the same, the Company Application is allowed.

(A.RAJASHEKER REDDY, J)

06.12.2017
msb