IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

FRIDAY, the 22nd DAY OF NOVEMBER 2019

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

COMP.APPLN.No.423 OF 2019
IN
COMP.PETN.No.75 OF 2001

In the matter of Companies Act, 1956
and
In the matter of M/s.Papanasam Paper Mills Ltd., (In liquidation)

C.P.NO.75 of 2001:
Board for Industrial and
Financial Reconstruction,
Jawahar Vyapar Bhawan,
No.1, Tolstoy Marg,
New Delhi-110 001. ... Petitioner

vs.

Papanasam Paper Mills Ltd.,
D-2, III Floor,
Vasanth Apartments,
75, C.P. Ramasamy Road,
Abiramapuram,
Chennai – 600 018. ... Respondent

C.A.No.423 of 2019:
The Official Liquidator,
High Court, Madras, as the
Liquidator of Papanasam Paper Mills Ltd.,
(in liquidation). ... Applicant

This Company Application is praying that this Hon'ble Court to:

a. To take this report on record,

b. To approve the Second Supplementary List of creditors submitted by Official Liquidator in Form No.71 in respect of 2 ordinary creditors enclosed as Annexure-A.

c). To permit the Official Liquidator to declare and disburse dividend @ 100 paise in a rupee along with interest @ 4% on the admitted amount of Rs.23,774/- to two workmen creditors and also on the admitted amount of Rs.33,37,308/- to two ordinary creditors viz., CTO and TNEB as mentioned in para 11 of this report.

d). To permit the Official Liquidator to dispense with the requirement of Succession Certificate under Rule 280 of the Companies Court Rules, 1959 and to make payment to the Legal heirs on submission of Death Certificate, Legal Heir Certificate and No objection Certificate from other legal heirs.

e) To permit the Official Liquidator to dispense with the paper publication for declaration/disbursement of dividend as required under Rule 276 of the Companies (Court) Rules, 1959.

f). To permit the Official Liquidator to open a separate dividend account with Punjab National Bank, NSC Bose Road, Madras for an amount of Rs.55,41,642/- exclusively for disbursement to two workmen creditors and two ordinary creditors.

g). To permit the Official Liquidator to keep the dividend account open for three months from the date of opening the dividend account and on expiry of stipulated period, to transfer the unpaid amount, if any, to Registrar of Companies, Tamil Nadu, Chennai as required under section 555(1) and (3) of the Companies Act, 1956.

h). To permit the Official Liquidator to defray the expenses in connection with declaration/disbursement of dividend from the funds of the company in liquidation.

The Company Application coming on this day before this Court for hearing in the presence of Mr.Bavishetty Sridhar, Deputy Official Liquidator, High Court, Madras, for applicant herein and upon reading the Judge's Summons and report of the Official Liquidator filed herein, <u>the court made the following order:-</u>

"*This application is filed by the Official Liquidator to approve the second supplementary list of creditors in respect of two ordinary creditors and to permit the Official Liquidator to declare and disburse dividend at 100 paise in a rupee along with interest at 4% p.a on the admitted amount of Rs.23,774/- to two workmen creditors and also on the admitted amount of Rs.33,37,308/- to two ordinary creditors viz., CTO and TNEB and for incidental and ancillary directions in this regard.*

2. I heard the learned Deputy Official Liquidator.

3. The Deputy Official Liquidator submitted that the Commercial Tax Officer, Alwarpet, Chennai submitted the claim belatedly upon obtaining an order for condonation of delay from this Court and the said claim was adjudicated by the Official Liquidator and admitted in a sum of Rs.20,46,698/- similarly, two workmen creditors submitted the claims belatedly upon obtaining orders for condonation of delay from this Court and the claims of these workmen creditors were adjudicated and the admitted sum in that regard is Rs.23,774/-. Accordingly, the Second Supplementary List of Creditors in Form No.71 has been enclosed with the report dated 08.11.2019 in support of this application.

4. In paragraph-12 of the report, the Official Liquidator has set out that the funds position of the company in liquidation, which shows that the company in liquidation has an aggregate sum of Rs.3,32,74,494.46 in its account. Consequently, he submitted that the dividend may be disbursed to the above mentioned creditors as requested in this application.

5. Upon considering the submissions of the learned Deputy Official Liquidator and on examining the report dated 18.11.2019, this application is liable to be allowed. Accordingly, the following directions are issued:

(i) The Second Supplementary List of Creditors, which is filed in Annexure-A to the Report dated 08.11.2019, is approved.

(ii) The Official Liquidator is permitted to declare and disburse dividend at 100 paise in a rupee along with interest at 4% p.a on the admitted amount of Rs.23,774/- to the two workmen creditors and on the admitted amount of Rs.33,37,308/- to the two ordinary creditors, viz., CTO and TNEB as specified in paragraph -11 of the report.

(iii). The Official Liquidator is permitted to dispense with the requirement of Succession Certificate under Rule 280 of the Companies Court Rules, 1959 and to make payment to the legal heirs on submission of Death Certificate, Legal heirship Certificate and No Objection Certificate from other legal heirs.

(iv). The Official Liquidator is permitted to dispense with the paper publication for declaration/disbursement of dividend as required under Rule 276 of the Companies (Court) Rules, 1959.

(v) The Official Liquidator is permitted to open a separate dividend account with the Punjab National Bank, NSC Bose Road, Madras for an amount of Rs.55,41,642/-

exclusively for disbursement to the two workmen creditors and two ordinary creditors.

(vi) The Official Liquidator is permitted to keep the dividend account open for three months from the date of opening of the dividend account and on expiry of the stipulated period, to transfer the unpaid amount, if any, to the Registrar of Companies, Tamil Nadu, Chennai as required under Section 555(1) and (3) of the Companies Act, 1956.

(vii) The Official Liquidator is permitted to defray the expenses in connection with the declaration/disbursement of dividend from the funds of the company in liquidation.

This application is disposed of on the above terms.

sd/. S.K.R.J
22.11.2019

//Certified to be true copy//
Dated at Madras this the day of 2021
R.s/12.05.2021 COURT OFFICER(O.S.)
From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.

Copy to
The Official Liquidator,
High Court, Madras.