IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: **12.04.2019**

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

Comp.A.No.98 of 2019 in
C.P.No.2 of 1989 and
C.P.No.2 of 1989

The Official Liquidator,
High Court, Madras
as the Liquidator of
M/s. Standard Motor Products of India
Limited (In Liquidation) .. Applicant

This application is preferred, under Section 481 of the Companies Act, 1956 Read with Rules 9 and 11(b) of the Companies (Court) Rules, 1959, prays

a)To take this report on the file of this Hon'ble Court

b) To pass an order permitting the Official Liquidator to remit an amount of Rs.11,00,000/- to the Recovery Officer DRT-II, Chennai towards the claim of IOB made on the basis of order dated 09.10.2017 made in OA. No.286/2014.

c)To pass an order permitting the Official Liquidator to meet the Government commission & Audit fee and all incidental expenses towards filing of the present application from and out of the balance funds available at the credit of the company under liquidation.

d)To pass an order that is is just and reasonable to dissolve M/s. Standard Motor Products of India Ltd (under liquidation) finally and accordingly to pass consequential and appropriate orders;

e) To pass an order permitting the Official Liquidator to file the final account without auditing

f) To pass such other order/s as this Hon'ble Court, may deem fit and proper in the circumstances of the case.

For Applicant :Mr.Bavishetty Sridhar,
Deputy Official Liquidator

ORDER

Instant application has been filed by the 'Official Liquidator attached to this Court' (hereinafter 'OL' for brevity) *inter alia* under Section 481 of 'The Companies Act, 1956' (hereinafter 'said Act' for brevity) primarily with a prayer for dissolution. To be noted, there are some incidental and ancillary prayers also. The prayer in the instant application as culled out from the Judge' s summons reads as follows:

'a)To take this report on the file of this Hon'ble Court

b) To pass an order permitting the Official Liquidator to remit an amount of Rs.11,00,000/- to the Recovery Officer DRT-II, Chennai towards the claim of IOB made on the basis of order dated 09.10.2017 made in OA. No.286/2014.

c)To pass an order permitting the Official Liquidator to meet the Government commission & Audit fee and all incidental expenses towards filing of the present application from and out of the balance funds available at the credit of the company under liquidation.

d)To pass an order that is is just and reasonable to dissolve M/s. Standard Motor Products of India Ltd (under liquidation) finally and accordingly to pass consequential and appropriate orders;

e) To pass an order permitting the Official Liquidator to file the final account without auditing'

2. 'Standard Motor Products of India Limited' (hereinafter 'said company' for brevity) is the company, which went into liquidation pursuant to orders of this Court made on 04.10.1996 in the main Company petition being C.P.No.2 of 1989

3. The OL took charge of assets and effects of the said company and thereafter the trajectory which the liquidation proceedings took has been articulated in paragraphs 2 to 11 of the report of OL dated 11.03.2019, which has been annexed to the instant application for dissolution, which read as follows:

*'2. It is submitted that M/s.Standard Motor Products of India Ltd (Under Liquidation) was ordered to be wound up by the Hon'ble Court vide its order dated 04.10.96 made in C.P.No.2/1989 and appointed the Official Liquidator to the company under liquidation with direction to take charge of the assets and effects of the Company in liquidation. The copy of the order dated 04.10.1996 is attached and marked as "**Annexure -A** to this report.*

3. It is submitted that the Official Liquidator, in compliance with the directions given by the Hon'ble Court vide the order mentioned supra taken the possession of all the assets and the Official Liquidator brought the assets of the company situated at Perungualthur, Chennai for public sale before this Hon'ble Court. The Hon'ble High Court, Madras has *confirmed the offer of M/s.Shriram Properties Limited, for an amount of Rs.158,67,00,000/- for the above said property and the assets werehanded over to the purchaser.*

4. It is submitted that pursuant various orders of this Hon'ble Court for payments of dividends of Workmen/Secured Creditors and the same was complied with by the Official Liquidator. The Official Liquidator has paid 100% dividend with 4% interest to the Workmen Creditors. Further, pursuant to the orders of this Hon'ble Court payments have been made to various Secured Creditors on various dates.

5. That pursuant to the order of this Hon'ble Court dated 19.3.2015 in C.A.No.350 of 2014, Official Liquidator has opened the dividend account for a sum of Rs.4,12,70,008/- towards final dividend to the following creditors of the company in liquidation and issued Dividend Notices in Form 138 to them. However dividend paid to the following creditors.

a)Life Insurance Corporation of India	*- Rs.1,76,33,028/-*
b)SIPCOT	*- Rs.49,25,000/-*
c)CTO, Pondicherry	*- Rs.5,29,859/-*
d)National Airport Authority of India	*- Rs.3,53,240/-*
e)ESI	*- Rs.1,67,78,881/-*

6. It is submitted that the Official Liquidator received balance unpaid dividend amount of Rs.10,50,000/- from Punjab National Bank, NSC Bose Road, Chennai and the same was transferred to Companies liquidation account under Section 555 of the Companies Act, 1956 and informed the Registrar of Companies, Chennai, Tamilnadu.

7. It is submitted that the total claims received from various creditors was amounting to Rs.228,95,14,507/-. Besides the dividend paid to various creditors mentioned in para 5 supra, the Official Liquidator has also paid the dividend *to the following creditors as per the order made by the Hon'ble Court in the respective applications and also in accordance with settlement arrived at Tamilnadu Mediation and Conciliation Centre on 14.09.2006 & 12.02.2007. The details are as follows:*

Sl.No.	**Name of the Secured Creditors**	***Ist Installment Paid (Rs.)***	***IInd Installment Paid (Rs.)***	***IIIrd Installment Paid (Rs.)***
1.	Indian Overseas Bank	33,00,00,000/-	16,26,00,000/-	5,42,00,000/-
2.	Industrial Development Bank of India Ltd (IDBI)	13,73,00,000/-	8,52,00,000/-	2,84,00,000/-
3.	Industrial Financial Corporation of India (IFCI)	1,39,00,000/-	83,25,000/-	27,75,000/-
4.	Industrial Credit Investment Corporation of India (ICICI)	2,95,00,000/-	2,59,50,000/-	86,50,000/-
5.	SIPCOT	90,00,000/-	1,47,75,000/-	49,25,000/-
6.	Industrial Investment Bank of India	73,73,352/-	31,50,000/-	10,50,000/-
7.	LIC	1,76,33,028/-	-----	----
8.	Commercial Tax Officer, Chennai - 6 including TNGST & CST	10,29,56,882/-	---------	------
9.	ESI Chennai	1,05,00,000/-	2,51,34,338/-	-------
10.	Workmen	40,95,08,490/-	11,03,514/-	------

8. It is submitted that Indian Overseas Bank (IOB) vide its letter dated 30.06.2018 stated that it has filed an OA No.24/2001 before DRT -I in the capacity of Debenture Trustee and the final order was passed on 09.10.2017. According to the said orders, the IOB is entitled to recover an amount of Rs.2,17,87,271.01 out of the funds of the company under liquidation. However, they have requested this office to remit the balance amount if any available in the credit of the company under liquidation to Recovery Officer, DRT -II at Chennai. The copy of the letter dated 30.06.2018 and order *dated 09.10.2017 with other document are collectively attached herewith and marked as **"Annexure B".***

9. It is submitted that the Official Liquidator as on date is left with the following amount to the credit of the company in liquidation.

		PD A/c (Rs.)	NDD A/c(Rs.)
1. Cash	:	*90.95*	*NIL*
2. Bank	:	*44,125.65*	*6,14,191.49*
3. Investment	:	*7,45,000.00*	*NIL*
Total	:	***7,89,216.60***	***6,14,191.49***

*10. It is submitted that it is inevitable the Offiical Liquidator to file the final accounts without audit as there are no other transactions is respect of accounts of the company under liquidation. The final account is attached herewtih and marked as **"Annexure C".***

11. It is submitted that an amount of Rs.11,00,000/- out of the funds of Rs.14,03,407/- available at the credit of the company under liquidation could be paid to Recovery Officer, DRT -II, Chennai towards full and final settlement to the claim of IOB made on the basis of order dated 09.10.2017. The balance will be utilized to pay the Government Commission, audit fee and all incidental expenses.'

To be noted, in the report of the OL, there is typographical error, two successive paragraphs have been given number 8. Therefore, the second number 8 paragraph has been shown as No.9.

4. A perusal of the final account statement of OL reveals that a

total sum of Rs.2,84,06,47,397.75 or in other words, little over Rs.2.84 Million alone has been realized throughout the liquidation proceedings, which commenced in 1996 more than two decade ago. Disbursements are a mere Rs.2,83,98,58,181.15 or in other words, little over Rs.2.83 Million. The balance is Rs.7,89,216.60 or in other words, little over Rs.7.89 Lakhs.

5. Having perused the record of OL and having perused the final account statement, this Court is of the considered view that no useful purpose will be served by continuing the liquidation proceedings, which is already more than two decade old.

6. It would be appropriate to have the balance, if any, after deduction of incidental expenses and payment of Rs.11,00,000/- to the Recovery officer, DRT II, Chennai (as adumbrated in the prayer) to be transferred to the Public Account of India with the Reserve Bank of India as per Section 555 of the said Act.

In the light of the narrative supra, this application is ordered as prayed for and OL is discharged qua said company and the main Company petition being C.P.No.2 of 1989 stands closed.

12.04.2019

gpa/mp

M.SUNDAR.J.,

gpa/mp

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