COMP. A. No.393 of 2019
IN
C.P.No.125 of 1988

SENTHILKUMAR RAMAMOORTHY, J

This application is filed for extension of time for disbursement of dividend for further period of four months from the date of receipt of a copy of the order and to permit the Official Liquidator to disburse 4% to 100 workmen creditors based on the information available in Form No.71, since the related files are damaged by termites. In addition, it is prayed that the Official Liquidator should be permitted to make payment to 243 workmen creditors from the dividend account in Punjab National Bank, NSC Bose Road, Chennai and incur the expenses in connection with the disbursement of dividend from and out of the funds of the company in liquidation.

2. I heard the Deputy Official Liquidator.

3. The Deputy Official Liquidator submitted that by an order dated 05.10.2018 in C.A.Nos.71 & 555 of 2018, this Court permitted the Official Liquidator to pay interest at 4% from the date of winding up to the date of declaration of final dividend of a sum aggregating to Rs.25,73,51,928/- to 2855 creditors within six months from the date of opening of dividend

account. In compliance with the said order, the Official Liquidator opened the dividend account with Punjab National Bank, NSC Bose Road, Chennai on 30.10.2018 and that out of 2855 creditors, disbursement was made to 2612 creditors through RTGS of an aggregate sum of Rs.17,26,98,405/- and that disbursement to the remaining 243 workmen creditors of an aggregate sum of Rs.8,46,53,523/- could not be made within the period of six months on account of non-availablility of requisite documents as averred in paragraph – 6 of the report.

4. The Deputy Official Liquidator further submitted that four months time extension was obtained in this connection by order dated 21.06.2019 but the disbursement of dividend could not be made within the said four months period on account of non-submission of documentary evidence by the workmen creditors. He submitted that the present application is filed in these facts and circumstances and also in view of the fact that some of the individual claim files were destroyed by termites. In this regard, he also submitted that the information relating to the admission of the claim by the Official Liquidator is contained in Form No.71 and, therefore, the disbursement could be made on this basis.

5. Upon considering the submissions of the Deputy Official Liquidator and on examining the report dated 03.10.2019, I am of the view that this application is liable to be allowed for the reasons specified in the report of the Official Liquidator.

6. Accordingly, this application is allowed by issuing the following directions:

[i] Time for disbursement of dividend to 243 workmen creditors is extended by a period of four months from the date of receipt of a copy of this order.

[ii] The Official Liquidator is permitted to disburse 4% to 100 workmen creditors on the basis of information available in the Form No.71.

[iii] The Official Liquidator is permitted to make payment to 243 workmen creditors from the dividend account with Punjab National Bank, NSC Bose Road, Chennai.

[iv] The Official Liquidator is permitted to incur expenses in connection with the disbursement of dividend from and out of funds of the company in liquidation.

18.10.2019

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SENTHILKUMAR RAMAMOORTHY, J

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