Comp.A.No.425 of 2019 In
C.P.No.44 of 1986

SENTHILKUMAR RAMAMOORTHY, J.

This application is filed by the Official Liquidator to approve the settled list in Form No.71 in respect of two secured creditors, to permit the Official Liquidator to declare and disburse dividend at 57 paise in a rupee on the admitted amount of Rs.1,08,44,526/- to two secured creditors, which amounts to Rs.61,81,380/-, and for incidental and ancillary directions in this regard.

2. I heard the learned Deputy Official Liquidator.

3. The Deputy Official Liquidator submitted that claims were received from one ordinary creditor and two secured creditors for an aggregate sum of Rs.1,94,30,043.88. Upon adjudication, an aggregate sum of Rs.1,08,44,526/- was admitted as regards the claim made by two secured creditors viz., Canara Bank and SIPCOT. As regards the ordinary creditor, the claim was rejected for non-submission of original documents. He further submitted that the company has a sum of Rs.64,30,439.02 in its account as on 17.10.2019. Consequently, he submitted that there are sufficient funds to declare and disburse dividend at 57 paise in a rupee and that by doing so, the total disbursement would be a

sum of Rs.61,81,380/-. He has filed a report dated 30.10.2019 in support of the application along with annexures providing particulars of the proposed disbursement of dividend.

4. Upon considering the submissions of the learned Deputy Official Liquidator and on examining the report dated 30.10.2019, it is just and necessary to allow this application. Accordingly, the following directions are issued:-

(i) The proposed settled list in Form No.71, which is filed as Annexure-A to the Report, is approved.

(ii) The Official Liquidator is permitted to declare and disburse dividend at 57 paise in a rupee on the admitted amount of Rs.1,08,44,526/-, to the two secured creditors amounting to Rs.61,81,380, after obtaining an undertaking that the claimants shall return the excess disbursed amount, if any, as and when demanded by the Official Liquidator.

(iii) The Official Liquidator is permitted to dispense with the publication of notice of declaration of dividend because the disbursement is to be made to the two secured creditors only.

(iv) The Official Liquidator is permitted to open a separate dividend account with the Punjab National Bank, NSC Bose Road, Chennai, for an amount of Rs.61,81,380/- exclusively for the purpose of making payment to the two secured creditors viz., SIPCOT and Canara Bank.

(v) The Official Liquidator is permitted to keep the dividend account open for three months from the date of opening and to transfer the unpaid dividend, if any, to the Registrar of Companies, Tamilnadu, Chennai as required under Section 555(1) and (3) of the Companies Act, 1956.

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(vi) The Official Liquidator is permitted to incur the expenses in connection with the declaration and disbursement of dividend from the funds available to the credit of the company in liquidation.

This application is disposed of on the above terms.

22.11.2019

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