Comp.A.No.232 of 2020
in
C.P.No.526 of 2000

M.SUNDAR.J.,

Aforementioned Company Petition i.e., 'C.P.No.526 of 2000' shall hereinafter be referred to as 'main CP' for the sake of convenience and clarity.

2.Captioned application i.e., Company Application No.232 of 2020 has been taken out by the 'Official Liquidator attached to this Court' (hereinafter 'OL' for the sake of brevity) and Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' ('Deputy OL' for the sake of brevity) is before this Company Court in this web-hearing on a video-conferencing platform. To be noted, learned Deputy OL is representing OL.

3.Captioned Company Application has been filed with a multi-limbed prayer and this multi-limbed prayer, as can be culled out from the Judge's summons, reads as follows:

'*a) To take this report on record;*

b) To permit the Official Liquidator to declare and pay dividend @ 0.95 paise in a rupee to the Secured and workmen creditors as per list stated above in para 11 amounting to Rs.1,12,27,310/- with an undertaking received from Secured

Creditors to the effect that they will reimburse the excess amount paid other than the entitlement / proportionate share as and when demanded by the Official Liquidator in writing in non Judicial Stamp Paper value of Rs.50/-.;

c) To permit Official Liquidator to open a dividend account with Punjab National Bank, NSC Bose Road, Chennai for Rs.1,12,27,310/- making payment to Secured and Workmen creditors;

d) To permit the Official Liquidator to keep open the dividend accounts for six months from the date of opening the dividend account and then to transfer unpaid dividend and to the Government account as required under Section 555(1) and (3) of the Companies Act, 1956 and under Rule 335 of the Companies (Court) Rules, 1959;

e) To direct that the cost of this application do come out of the assets of the company in liquidation; and

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

4. 'Fidelity Industries Limited' (hereinafter after 'said Company' for the sake of convenience and clarity) went into liquidation in the main CP. Learned Deputy OL adverting to a 'report of OL dated 20.03.2020' (hereinafter 'said report' for the sake of convenience and clarity), which has been filed in support of captioned application, submits that said company was ordered to be wound up in and by an order dated 14.06.2001 made in main CP by this Company Court. It is submitted by

learned Deputy OL that OL had thereafter become Liquidator of said Company and OL had taken charge of assets and effects of said Company. The manner in which the liquidation process unfurled thereafter has been captured and set out in Paragraphs 2 to 10 of said report. Adverting to these paragraphs in said report, learned Deputy OL submitted that OL has adjudicated 28 claims, out of which some are secured creditors' claim and others are hire purchase claims. Thereafter it is submitted that claims of the workmen have also been admitted.

5. Now the captioned application is to permit the OL to declare and pay dividend of 0.95 paise in a rupee to the secured creditors and workmen qua said Company. Details of the secured creditors and 278 workmen have been set out in the form of a tabulation in Paragraph 11 of the said report, which reads as follows:

> '11. That since sufficient funds are available with the Official Liquidator, it is proposed to declare and pay further dividend to following creditors @ 0.95 paise in a rupee to the secured and workmen creditors. The details are given below:

'

Sl.No.	*Name of the secured Creditor*	*Amount Admitted Rs.*	*Amount payable 0.95% on the admitted amount Rs.*
1	Standard Chartered Bank	28,48,00,000	27,05,600

Sl.No.	*Name of the secured Creditor*	*Amount Admitted Rs.*	*Amount payable 0.95% on the admitted amount Rs.*
2	Industrial Development Bank of India (IDBI)	26,80,95,026	25,46,903
3	Canara Bank	1,41,50,498	1,34,430
4	IFCI Limited Assignment of Debt and rights of IIBI in favour of IFCI)	8,00,00,000	7,60,000
5	Punjab & Sind Bank	4,50,00,000	4,27,500
6	International Asset Reconstructions Company Private Limited (IARC) (assigned by Allahabad Bank)	1,20,74,361	1,14,706
7	State Bank of Mauritius	2,59,82,089	2,46,830
8	Axis Bank Limited	7,79,59,375	7,40,614
9	United Western Bank Limited (UWB LTD AMALGAMATION WITH IDBI)	7,50,00,000	7,12,500
10	Sicom Limited	49,96,070	47,463
11	India Cements Capital Limited	41,76,862	39,680
12	The Cosmos Co-operative Bank Limited	5,00,00,000	4,75,000
13	Punjab National Bank (Assigned in favour of Asset Reconstruction Company (India) Ltd on 26.6.2006)	8,03,14,348	7,62,986
14	Infrastructure Leasing & Financial Services Limited (ILFS)	8,96,89,683	8,52,052
15	Union Bank of India	3,94,51,377	3,74,788
16	248 Workmen creditors	2,80,82,268	2,66,782
17	30 workmen creditors	20,50,153	19,476
	Total amount to be paid		1,12,27,310
	Available Funds with OL		1,16,13,447

'

6. To be noted, this Court is informed that in the tabulation above there is no difference between Serial Nos.16 and 17 in terms of they being workmen qua said Company. It is submitted that their claims were admitted in two batches and therefore, it is set out in this manner i.e., as

two separate serial numbers in the tabulation. To be noted, captioned application has been taken out under Section 529, 530, 555(1), 555 (3) of the Companies Act, 1956 read *inter alia* with Rule 276 of the Companies (Court) Rules, 1959.

7. This Company Court, having perused the said report, having heard learned Deputy OL, is satisfied that the prayer deserves to be acceded to.

Captioned application is ordered by acceding to prayer limbs (b) to (e). There shall be no order as to costs.

16.10.2020

gpa

M.SUNDAR.J.,

gpa

Comp.A.No.232 of 2020 in
C.P.No.526 of 2000

16.10.2020