Company Application No.212 of 2020
in
CP.No.195 of 1998

M.SUNDAR, J

'Sukra Diamond Tools Private Limited' (hereinafter 'said Company' for the sake of brevity) is the Company under liquidation in the above mentioned Company Petition i.e., 'CP.No.195 of 1998' (hereinafter 'main CP' for the sake of convenience and clarity).

2. Captioned application has been taken out by 'Official Liquidator attached to this Court' (hereinafter 'OL' for the sake of brevity) and Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' (hereinafter 'Deputy OL' for the sake of brevity) is before this Company Court in this web hearing on a video conferencing platform on behalf OL. Prayer in the captioned application is a multi-limbed prayer and the same as can be culled out from Judge's Summons reads as follows:

> '*a. Take this report on record,*
>
> *b. Kindly approve the Certified list of creditors submitted by Official Liquidator in Form No.71 admitted for a total sum of* ***Rs.3,60,93,873/-*** *in respect of 3 Secured Creditors* ***(Which includes Rs.36,37,808/- admitted as ordinary in the matter of SIPCOT),*** *enclosed as Annexure-A,*

c. Permit the Official Liquidator to declare and disburse dividend of ***Rs.1,25,100/-*** *i.e 9 paise in a rupee on the admitted amount of Rs.13,90,000/- to Bank of Baroda as mentioned in para 8 of this report.*

d. Permit the Official Liquidator to declare and disburse further dividend @ 5.5 paise in a rupee on the admitted amount to all the 3 Secured Creditors, which is calculated and arrived at ***Rs.17,85,084/-*** *as mentioned in para 9 of this report.*

e. Permit the Official Liquidator to open a separate dividend account for ***Rs.19,10,184/-*** *with Punjab National Bank, N.S.C.Bose Road, Chennai exclusively for disbursement of dividend to 3 Secured Creditors,*

f. Permit the Official Liquidator to keep the dividend account open for three months from the date of opening or till the date of payment to all creditors, whichever is earler and to transfer the unpaid amount, if any, to the account of Registrar of Companies, Tamilnadu, Chennai as per the provisions of section 555(1) and (3) of the Companies Act, 1956,

g. Permit the Official Liquidator to dispense with causing publication regarding declaration/disbursement of dividend, since the disbursement is to be made to 3 secured creditors only,

h. Permit the Official Liquidator to meet the incidental expenses in connection with the declaration/disbursement of dividend from the funds of the company in liquidation, and

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

3. Learned Deputy OL submits that captioned application has been taken out *inter-alia* under Section 529 and 530 of 'The Companies Act, 1956' [hereinafter 'said Act' for the sake of brevity]. It is also submitted that a 'report of OL dated 13.08.2020' [hereinafter 'said report' for the sake of brevity and clarity] has been filed in support of captioned application.

4. Attention of this Court is drawn to paragraphs 4 to 9 of said report, which read as follows:

> *'4. That the Official Liquidator submits that in compliance of the directions of the Hon'ble High Court, Madras made in C.A.No.1163 of 2009 on 08.10.2009, the Official Liquidator invited claims by causing publication in "The New Indian Express" and "Dina Malar" on 15.11.2009 by fixing the last date for submission of claim as 14.12.2009. In response to the same, six creditors submitted the claims in Form No.66. However, no claims were submitted by any workmen creditors. The details of 6 claims received are as follows:*

Sl.No.	*Name of the claimant*	*Nature of claim*	*Amount claimed Rs.*
1	*Income tax*	*Govt.*	*5,44,727.00*
2	*The Tamil Nadu Industrial and Investment Corporation Limited (TIIC)*	*Secured*	*86,45,799.00*

Sl.No.	Name of the claimant	Nature of claim	Amount claimed Rs.
3	Commercial Tax Department	Govt.	25,02,893.00
4	State Industries Promotion Corporation of TamilNadu Limited (SIPCOT)	Secured	6,21,36,696.50
5	Bank of Baroda (BOB)	Secured	90,89,711.72
6	Tamil Nadu Electricity Board	Govt.	27,384.00

5. That out of the claims submitted by 3 secured creditors, 2 claims were already adjudicated and 9 paise in a rupee on the admitted amount was also disbursed as directed by this Hon'ble Court. Subsequently, claim submitted by Bank of Baroda, the third secured creditor was also adjudicated and a sum of Rs.13,90,000/- was admitted as secured claim out of claimed amount of Rs.90,89,711.72 by rejecting Rs.76,99,711.72 for non-submissions of documentary evidence. The details of adjudication are as follows:

Sl.No.	Name of the secured creditor	Claimed Amount	Admitted Amount	Rejected Amount	Amount disbursed @ 9 paise in a rupee on the admitted amount Rs.
1	TIIC	86,45,799	86,45,799 (U/s.529A)	Nill	7,78,122 (Order dated 8.9.2010 in C.A.No.1248 of 2010)
2	SIPCOT	6,21,36,696	2,24,20,266 (As a secured claims U/s.529A)	3,60,78,622	20,17,824 (Order dated 12.12.2017 in C.A.No.234 of 2017)

Sl.No.	*Name of the secured creditor*	*Claimed Amount*	*Admitted Amount*	*Rejected Amount*	*Amount disbursed @ 9 paise in a rupee on the admitted amount Rs.*
			36,76,808 (Ordinary)		
3	*BOB*	*90,89,711*	*13,90,000*	*76,99,711*	*Nil*
	TOTAL	***7,98,72,206***	***3,60,93,873***	***4,37,78,333***	

6. That as the said disbursement of 9 paise in a rupee to TIIC & SIPCOT was made as an interim measure in compliance of the order of this Hon'ble Court, the Official Liquidator has not filed any list of creditors in Form No.71. The Official Liquidator is now filing the Certified List of Creditors in Form No.71 for 3 secured creditors as stated above for a sum of ***Rs.3,60,93,873/-,*** *in terms of Rule 167 of the Companies (Court) Rules, 1959 with this report as* ***Annexure-A,*** *for the kind approval of this Hon'ble Court.*

7. That the funds position of the company in liquidation as on 31.07.2020 is as follows:

Cash	*:*	*--*
Bank	*:*	*64,266.86*
Investment	*:*	*19,50,000.00*

		20,14,266.86
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8. That Official liquidator proposes to declare and disburse dividend of ***Rs.1,25,100/-*** *i.e 9 paise in a rupee on the admitted amount of*

Rs.13,90,000/- to Bank of Baroda to make the creditor at par with the earlier disbursement made to the other 2 secured creditors as mentioned in para 5 of this report.

9. That after making the above payment since sufficient funds are available, subject to approval of this Hon'ble Court, the Official liquidator proposes to declare and disburse further dividend @ 5.5 paise in a rupee on the admitted amount to all the 3 Secured creditors, as detailed below:

Sl.No.	*Name of the secured creditor*	*Amount Admitted (In Rs.)*	*Amount disburse @ 5.5 paise in a rupee on the admitted amount (In Rs.)*
1	*TIIC*	*86,45,799*	*4,75,519*
2	*SIPCOT*	*2,24,20,266*	*12,33,115*
3	*BOB*	*13,90,000*	*76,450*
	TOTAL	*3,24,56,065*	***17,85,084***

5. Adverting to aforesaid paragraphs of said report, it is submitted that the aforesaid paragraphs are *inter-alia* most relevant portion of said report and they support the multi-limbed prayer in the captioned application.

6. This Court, having perused the said report, having heard learned Deputy OL, having been convinced that it would be appropriate to accede to the prayers made as it would benefit the creditors qua said Company,

captioned application is allowed by acceding to prayers in prayer limbs (b) to (h). There shall be no order as to costs.

25.09.2020

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M.SUNDAR. J

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