**Company Application No.226 of 2020**
**in**
**CP No.37 of 1989**

**M.SUNDAR.J.,**

Captioned Company Application has been taken out by the 'Official Liquidator attached to this Court' ('OL' for the sake of brevity) and Mr.Bavishetty Sridhar, learned Deputy Official Liquidator is before this Company Court in this Web hearing on a video conferencing platform on behalf of the OL.

2. Captioned company application has been taken out with a multi limbed prayer which as culled out from the judges summons reads as follows:



'(a) To take this report on record;

(b) To permit the Official Liquidator to declare and disburse a dividend @ 100% on the admitted amount of Rs.11,801/- to 6 preferential creditors and disbursement of dividend @ 3.9% on the admitted amount which is calculated and arrived at sum of Rs.10,69,064.10 to Commercial Tax Officer as mentioned in the list of creditors filed in F.No.71 before the Hon'ble High Court, Madras;

(c) To permit the Official Liquidator to dispense with publication of declaration of dividend as required under Rule 276 of the Companies (Court) Rules, 1959, since the disbursement is to be made to 7 creditors only;

(d) To permit the Official Liquidator to open a dividend account with PNB, NSC Bose Road, Chennai for a sum of Rs.10,69,064.10 exclusively for disbursement of dividend to 7 preferential creditors;

(e) To permit the Official Liquidator to keep the dividend account open for three months from the date of opening and to transfer unpaid dividend, if any, to the account maintained by Registrar of Companies, Tamil Nadu, Chennai as per the provisions of Section 555(1) and (3) of the Companies Act, 1956;

(f) To permit the Official Liquidator to dispense with the requirement of succession certificate under Rule 280 of the Companies (Court) Rules, 1959 and to make payment to the Legal Heirs on the submission of death certificate, legal heir certificate and No objection certificate in case the depositor/nominee is deceased;

(g) To permit the Official Liquidator to defray the expenses in connection with declaration and disbursement of dividend from the funds of the company in liquidation; and

(h) 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. A report of the OL dated 31.08.2020 (hereinafter 'said report' for the sake of brevity) has been filed in support of the captioned company application.



4. Captioned Company Application has been taken out by a contributory qua 'Tirupati Rolled Glass Limited' (hereinafter referred to as 'said Company' for the sake of convenience and clarity) which is the

Company that has gone into liquidation in the aforementioned 'Company Petition No.37 of 1989' (hereinafter main 'CP' for the sake of convenience and clarity), which is at the instance of a petitioning creditor.

5. Adverting to said report, learned Deputy Official Liquidator submits that OL was appointed as Provisional Liquidator qua said company with directions to take charge of all assets and effects of said company. Learned Deputy Official Liquidator submits that this was in and by an order dated 15.09.1989 made by this Company Court in main CP.



6. Thereafter, the manner in which the winding up proceedings unfurled has been captured in the said report. Paragraphs 4 to 6 of said report are of utmost relevance for the multi limbed prayer in the captioned application and paragraphs 4 to 6 of said report read as follows:

'4. That as per permitted this Hon'ble Court by the order dated 05.01.1995 in Company Application No.02/1995, Official Liquidator invited claims from the creditors of the company in liquidation by fixing 24.01.1995 as the last date for submission of claims. In response to the publication caused, 170 creditors submitted the claims with the Official Liquidator, out of which 163 claims were adjudicated based on the documentary evidence under Section 529A of the Companies Act, 1956. Also in compliance of the Hon'ble High Court order dated 12.03.2003 made in Company Application No.433 of 2003, 100 paise in a rupee on the admitted amount was paid to workmen creditors. Further remaining 7 claims were adjudicated based on the documentary evidence and the details of the adjudication of the claims are as follows:

| ***SL.NO.*** | ***CATEGORY*** | ***AMOUNT CLAIMED*** | ***AMOUNT ADMITTED*** | ***REMARKS*** |
|---|---|---|---|---|
| 1 | Govt. Claim (1) | 2,74,11,900.00 | 2,74,11,900/- | U/s 530 |
| 2 | Employees (6) | 2,20,906.65 | 11,801/- | U/s 530 |
| | | | 1,04,608/- | Ordy. |
| | Total | 2,76,32,806.65 | 2,75,28,309/- | |

5. That the funds position of the Company in Liquidation as on 05.08.2020 is

Amount

(In Rupees)

| | | |
|---|---|---|
| Cash | : | - |
| Bank | : | 44,719.52 |
| Investment | : | 10,50,000.00 |
| | | --------------------- |
| | | 10,94,719.52 |
| | | --------------------- |

6. That the Official Liquidator submits that, as sufficient funds are available, subject to approval of this Hon'ble Court, it is proposed to declare and disburse dividend to preferential creditors (i.e., Employees and Govt. Claims). Further it is submitted that since the amount due to employees is meagre, it is proposed that the employees coming under Section 530 may be paid 100 paise in a rupee totalling to Rs.11,801/- and a sum of Rs.10,69,064.10 calculated @ 3.9% on the admitted amount may be disbursed to Commercial Tax Officer, Chennai under Section 530 of the Companies Act, 1956. The third List of creditors in F.No.71 is submitted along with this report as Annexure 'A', for the kind perusal and approval of the Hon'ble

Court.'

7. This Court, having perused said report, having heard learned Deputy Official Liquidator, is satisfied that the multi limbed prayer deserves to be acceded to in terms of limbs '(b)' to '(g)'.

8. Captioned company application is allowed acceding to prayer limbs '(b)' to '(g)' in the judges summons, however, there shall be no order as to costs.

06-11-2020

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**M.SUNDAR, J.**

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