Comp.A.No.294 of 2020
in
C.P.No.60 of 1974

Captioned Company Application i.e., Company Application No.294 of 2020 has been taken out by the Official Liquidator attached to this Court [hereinafter 'OL' for the sake of clarity] and Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' [hereinafter 'Deputy OL' for the sake of brevity] is before me in this web hearing on a video conferencing platform.

2. Captioned application has been taken out *inter-alia* under Sections 529, 530 and 555 of 'The Companies Act, 1956' [hereinafter 'said Act' for the sake of convenience and clarity] and 'The Companies (Court) Rules, 1959' [hereinafter 'said Rules' for the sake of convenience and clarity]. To be noted, Rule 275 has been invoked besides the other procedural Rules.

3. Company Petition No.60 of 1974 shall hereinafter be referred to as 'main CP'. Four years from now, main CP will be half a century old

in this Court and therefore, captioned main CP is clearly a vintage nay ancient matter.

4. This Court has noticed that captioned CP is ancient in this Court in every sense of the matter. Be that as it may, learned Deputy OL, who is before this Court on behalf of OL draws the attention of this Court to a 'report of OL dated 07.10.2020' [hereinafter 'said report' for the sake of brevity, convenience and clarity] and submits that the same has been filed in support of captioned application in which there is a multi-limbed prayer, which, as culled out from judges summons reads as follows:

> '*1. To take this report on record.*
>
> *2. To approve the 3rd supplementary list of creditors submitted by the Official Liquidator in varied Form No.71 in respect of TIIC Limited and 7 ordinary creditors of the company in liquidation as mentioned in* ***Annexure-A*** *to this report.*
>
> *3. To permit the Official Liquidator to declare and disburse 100ps in a rupee on the admitted amount of Rs.3,09,344/- to TIIC Limited.*
>
> *4. To permit the Official Liquidator to declare and disburse*

50ps in a rupee on the admitted amount to 8 ordinary creditors which is arrived at Rs.3,77,493/-.

5. To permit the Official Liquidator to open a separate dividend account for Rs.6,86,837/- for disbursement to the creditors mentioned in ***Annexure-B*** *to this report.*

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

7. To permit the Official Liquidator to dispense with causing publication regarding declaration of dividend, since the disbursement is to be made to 9 creditors only.

8. To permit the Official Liquidator to meet the expenses in connection with declaration/disbursement of dividend from the funds of the company in liquidation and

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

5. Adverting to said report, learned Deputy OL submits that in and by an order made way back in 1975 i.e., 14.02.1975 to be precise,

'Ruby Rubber Works (Madras) Limited' [hereinafter 'said company' for the sake of convenience and clarity] is the company which was brought under liquidation in main CP when the Company Court appointed OL as provisional liquidator qua said company *inter-alia* with further directions to take charge of assets and effects of said company.

6. After taking charge of assets and effects of said company, liquidation process or in other words winding up process unfurled in accordance with the said Act and said Rules thereunder. The manner in which winding up or in other words liquidation process unfurled has been set out/ captured in paragraph Nos.2 to 8 of said report, which read as follows:

> '*2. That pursuant to the orders of this Hon'ble Court the Official Liquidator took possession of the properties of the company in liquidation situated at Srinivasa Perumal Koil Street, Thiruvottiyur, Chennai-600 019 and subsequently, this Hon'ble Court, through public auction, sold all the assets of the company in liquidation.*
>
> *3. That in compliance of the Hon'ble High Court, Madras order dated 07.09.1990 made in Company Application No.931 of 1990 in C.P.No.60 of 1974 Official Liquidator invited claims from the creditors vide publication caused in "News Today and The*

Daily Thanti" by fixing the last date for submission of claims as 30.11.1990.

4. That in response to the publication, 112 creditors submitted the claim in Form No.66. Further all the claims were adjudicated and out of 112 claims 27 claims were rejected for non-submission of documentary evidence to substantiate the claims and 1 claim was not paid as the creditor company was dissolved. In this regard, the Official Liquidator had filed certified list of creditors in respect of 75 workmen creditors in Form-71 in terms of Rule 167 of Companies (Court) Rules, 1959. Subsequently, as per the orders passed by the Hon'ble High Court, Madras first and final dividend @ 100 paise in a rupee was also declared and disbursed to the workmen creditors. The total amount disbursed to 75 workmen creditors whose amount was admitted u/s.529-A of the Companies Act, 1956 was Rs.3,22,195/-.

5. That the funds position of the company in liquidation as on 16.09.2020 is Rs.7,18,626/-.

6. That it is submitted that TIIC Limited one of the secured creditor of the company in liquidation was not paid any dividend at the time of disbursement to the workmen creditors, as TIIC Ltd., submitted the claim belatedly. Subsequently, as per the orders dated 25.03.1996 made in C.A.No.1937 of 1992 and 28.11.1997 made in C.A.No.2458 of 1997, this Hon'ble Court condoned the delay. Though the Official Liquidator had adjudicated the claim, as disbursement was not made to TIIC Limited so far. Hence, subject to approval of this Hon'ble Court, the Official Liquidator proposes to disburse 100 paise in a rupee

on the admitted amount to the said secured creditor.

7. That after disbursement of dividend to TIIC Ltd., since sufficient funds are available, subject to approval of this Hon'ble Court, the Official Liquidator proposes to disburse 50 paise in a rupee to the 7 ordinary creditors of the company in liquidation. In this regard, the Third supplementary list of creditors in the prescribed format in varied form No.71 is enclosed as ***Annexure-A for the kind approval of this Hon'ble Court.***

8. That the Official Liquidator also submits that, though the claim submitted by State Bank of India, Calicut Branch, Kerala, was adjudicated/admitted as ordinary claim and filed before this Hon'ble Court as the second supplementary list of creditors, as per the records available, no disbursement was made to the creditor till date. That subject to the approval of this Hon'ble Court, the Official Liquidator proposes to disburse dividend @ 50 paise in a rupee to the said creditor along with other ordinary creditors.'

7. Adverting to said report, learned Deputy OL submits that there are 9 creditors in all, out of which, 1 is a secured creditor and other 8 are unsecured creditors. Learned Deputy OL also submits that an adumbration of list of creditors are set out in Annexure-B to said report. To be noted, Annexure-B has also been extracted and reproduced in paragraph No.9 of said report. A scanned copy of relevant portion of said

report is as follows:

9. The details of proposed dividend of 100 paise in a rupee to TIIC Limited and 50 paise in a rupee to ordinary creditors are as follows and the same is **enclosed as Annexure –B to this report:**

Sl. No	Claim No.	Name of the Creditor	Amount Claimed (Rs)	Nature of Claim	Amount Admitted (Rs)	Dividend proposed for payment	Proposed dividend amount payable (Rs)
1	38	TIIC Limited	17,17,655	Secured	3,09,344	100 ps in a rupee	3,09,344
2	2	V.Bhaskar Pillai	1,88,709	Ordinary	1,88,709	50ps in a rupee	94,355
3	4	Sri.Chaman Lal	3,000	Ordinary	3000	50ps in a rupee	1,500
4	5	Regional Provident Fund commission	19,874	Ordinary	12,086	50ps in a rupee	6,043
5	14	Income Tax	5,543	Ordinary	5,543	50ps in a rupee	2,772
6	15	Sales Tax Officer, Bombay Unit IV	1,027	Ordinary	1,027	50ps in a rupee	514
7	34	M/s.Kurian Abraham	16,022	Ordinary	16,022	50ps in a rupee	8,011
8	36	Income,I(5) ,Ms-34	7,540	Ordinary	7,540	50ps in a rupee	3,770
9	37	SBI, Calicut Branch, Kerala	5,21,056	Ordinary	5,21,056	50ps in a rupee	2,60,528
			24,80,426		10,64,327		6,86,837

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ASSISTANT OFFICIAL LIQUIDATOR
HIGH COURT, MADRAS.

M.SUNDAR.J.,

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8. This Court, having perused said report, having heard learned Deputy OL and being satisfied that the prayers in captioned application in ancient main CP deserves to be acceded to, captioned application is allowed in terms of prayer limbs 2 to 8 of captioned application. There shall be no orders as to costs.

11.12.2020

Speaking/Non-speaking order
Index : Yes / No
Internet : Yes / No

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