Comp.A.No.25 of 2021
in
C.P.No.143 of 2001

M.SUNDAR, J

Captioned Company Application i.e., Comp.A.No.25 of 2021 has been taken out by 'Official Liquidator attached to this Court' [hereinafter 'OL' for the sake of convenience and brevity] and Mr.Bavishetty Sridhar, learned 'Deputy Official Liquidator' [hereinafter 'Deputy OL' for the sake of convenience and 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(1)(3) of 'The Companies Act, 1956' [hereinafter 'said Act' for the sake of convenience and clarity] read with Rules 9 & 11(b) of 'The Companies (Court) Rules, 1959' [hereinafter 'said Rules' for the sake of convenience and clarity].

3. 'Panclothing and Consolidated Company Limited' [hereinafter 'said company' for the sake of brevity and convenience] is the company, which has

gone into liquidation in captioned Company Petition i.e., 'C.P.No.143 of 2001' [hereinafter 'main CP' for the sake of brevity and convenience]. Captioned application has been taken out with a multi-limbed prayer, which as culled out from judges summons reads as follows:

> '*a) To take this report on record.*
>
> *b) To permit the Official Liquidator to declare a further and final dividend @ 5% on the admitted amount to the 16 ordinary creditors which is calculated and arrived at Rs.26,48,990/- as stated in Para-18 of this report.*
>
> *c) To Permit the Official Liquidator to dispense publication of notice as per Rule 276 of Companies (Court) Rules 1959 since the disbursement is to be made to 16 creditors only.*
>
> *d) To permit the Official Liquidator to open a separate dividend account with Punjab National Bank, NSC Bose Road, Chennai for Rs.26,48,990/- exclusively for disbursement to 16 claimants.*
>
> *e) To permit the Official Liquidator to keep the dividend account open for six months from the date of opening and thereafter to transfer the unclaimed dividend if any to the account of Registrar of Companies, Tamilnadu, Chennai in terms of section 555(1) and (3) of the Companies Act, 1956.*
>
> *f) To defray the expenses in connection with declaration/ disbursement of dividend from and out of the funds of the company in liquidation; and*

g) To pass such order/orders of this Hon'ble court may deem fit and proper in the circumstances of the case and thus render justice.'

4. Learned Deputy OL, submits that a 'report of OL dated 08.01.2021' [hereinafter 'said report' for brevity] has been filed in support of captioned application. Adverting to said report, learned Deputy OL submits that the said company went into liquidation in main CP and the manner in which liquidation proceedings unfurled has been articulated in paragraph Nos.2 to 16 of the said report.

5. Be that as it may, fund position of said Company and disbursement that is now sought to be made qua creditors has been set out in paragraph Nos.17 & 18 of said report is his say and the said two paragraphs read as follows:

'17. Funds position of the company in liquidation as on 23.12.2020 is as follows:-

Bank	*- Rs. 49,659.51*
Investment	*- Rs.32,00,000.00*
Total	*-Rs.32,49,659.51*

18. That in view of the available funds to the credit of the *company in liquidation to a tune of Rs.31,01,576.51 and taking into consideration the fact that 100% payment to the Employees Provident Fund Organization and the preferential creditors and 85% of payment made to the ordinary creditors was already made, it is proposed to pay a further dividend @5% to 16 ordinary creditors of the company in liquidation. Accordingly the details of proposed dividend payment is as below:*

S. No	Claim No.	Name and Address	Nature of claim	Amount claimed	Amount Admitted	5% of the Admitted amount (Rs.)
1	1	TCI Finance Limited, No.1-7-296, MG Road, Secunderabad – 500 003	As per the compromise decree passed	41,76,351	36,89,869	1,84,493
2	17 & 3	Assistant commissioner of Income Tax, Company Circle V(1)No.121, IVth Floor, Main Building Nungambakkam High Road, Chennai-34	Tax dues	16,20,500	9,34,489	46,742
3	4	WALCHAND NAGAR INDUSTRIES LIMITED, No.153, Anna Salai, Chennai-34	Bills of Discounting	51,55,850	30,59,450	1,52,973
4	6	MAHARASHTRA APEX, CORPORATION LIMITED, SYNDICATE HOUSE, MANIPAL-1	Hire purchase	1,74,37,003	17,28,686	86,434
5	7	Wipro Finance Private Ltd, Wipro Centre No.410, 24th Cross, Bana Shankari Stage-2, Bangalore- 560070	Hire Purchase	9,45,366	3,07,874	15,394
6	10	The Investment Trust of India Limited, Mashkur Buildings, Krishna Road, Nungambakkam, Chennai – 2	Hire purchase	1,05,13,723	9,38,202	46,910

S. No	Claim No.	Name and Address	Nature of claim	Amount claimed	Amount Admitted	5% of the Admitted amount (Rs.)
7	13	Mukunda Industrial Finance Limited, Sankranthi Expert House, No.30, T.Mariappa Road, Jaya Nagar, Bangalore	Hire purchase	43,66,349	7,33,000	36,650
8	14	Kriloskar Investment Finance Limited Unity Buildings, 'C' Block 2nd Floor, J.C.Road, Bangalore-2	Hire purchase	33,80,376	4,29,277	21,464
9	15	H.Kanniyalal, S/o Hirchand No.27, Chinna Thambi Street, Triplicane, Chennai-5.	Good Supplied	2,20,912	2,20,912	11,046
10	16	IND Bank Housing Limited, No.480, Anna Salai, IIIrd Floor, Nanganam, Chennai-35	Inter Corporate Deposits	2,47,22,179	65,05,823	3,25,291
11	18	Vijaya Vaikaria D-5, 3rd Floor, Shanthi Apartments, No.21, 1st Cross Street, TTK Road, Alwarpet, Chennai – 600 018	Inter Corporate Loan	12,00,000	12,00,000	60,000
12	19	Asman Financial Service Private Limited, D-5, 3rd Floor, Shanti Apartments, No.21, Ist Cross Street, Alwarpet, Chennai-18.	Inter Corporate Loan	1,00,00,000	1,00,00,000	5,00,000
13	22	B.Sankaran S/o Balasubramania Iyer, No.13/8, Mahadevan Street, West Mambalam, Chennai-33.	Goods Supplied	5,000	5,000	250
14	23	VLS Finance Limited, No.C-489, Defence Colony, Delhi – 110 024.	Hire purchase	1,31,16,497	28,35,446	1,41,772
15	24	Madras Credit & Investments, R.O. Flat No.115, Block-A, First Floor, Shivalaya Building, Door No.196, Ethiraj Salai, Egmore, Chennai – 105.	Lease charges	30,64,834	28,91,419	1,44,571

S. No	*Claim No.*	*Name and Address*	*Nature of claim*	*Amount claimed*	*Amount Admitted*	*5% of the Admitted amount (Rs.)*
16	*21*	*Indian Bank Assets Recovery Management Branch, II Circle Office Buildings, Ground Floor, No.55, (Old No.24/2) Ethiraj Salai, Chennai – 600 008.*	*Loans*	*3,68,49,624*	*1,75,00,000*	*8,75,000*
		Total		*13,67,74,564*	*5,29,79,447*	*26,48,990*

6. This Court having perused the said report, having heard learned Deputy OL and having noticed the submission of learned Deputy OL that secured creditors have already been paid out, considers this to be a fit case for acceding to the prayer limbs (a) to (f) of the multi-limbed prayer. Captioned Application is allowed/ordered by acceding to prayer limbs (a) to (f). There shall be no order as to costs.

19.02.2021

mk/vsi

M.SUNDAR, J

mk/vsi

Com.A.No.25 of 2021

in

C.P.No.143 of 2001

19.02.2021