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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(IN INSOLVENCY)

MONDAY, THE 15TH DAY OF NOVEMBER 2021

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

APPLN. Nos. 93 TO 95 of 2021

IN

IP. No.153 of 1997

In the matter of Presidency Towns and
Insolvency Act III of 1909

and

In the matter of M.Balu

....Debtor

The matter of the petition and schedule of the insolvent above named coming on this day to be further heard for declaring the first and final dividend of the said insolvent's estate and for hearing all objections to the said schedule of the said insolvent and to the accounts of the Official Assignee of this court and as much the assignee of the estate and effects of the said insolvent, and for hearing all claims of any creditors not previously heard and none of the creditors of the said insolvent appearing to make any objections to the said schedule or to the accounts to the said Official Assignee, or to make or prefer, any claim not previously heard and



on the 28th day of October 2021, that after deducting the commission payable to the said Official Assignee, namely Rs.70,000/- (Rupees Seventy thousand only) and Rs.80,951/-(Rupees Eighty thousand nine hundred and fifty one only) being the cost of administration and Rs.4,256/- (Rupees Four thousand two hundred and fifty six only) being the 2% interest on FD to be credited for contingency Fund Account and Rs.70,000/-(Rupees Seventy thousand only) being the amount of Commission paid (7% of Rs.10,00,000/-) and Rs.10,000/- (Rupees Ten thousand only) being the Refund amount to the Creditor Dayalan and Rs.1,88,348/- (Rupees One lakh eighty eight thousand three hundred and forty eight only) being the Interest amount to the two Creditors @14% from the date of promissory note till adjudication date and reserving the sum of Rs.3,786/-(Rupees Three thousand seven hundred and eighty six only) for future expenses and the Surplus amount of Rs.80,000/- (Rupees eighty thousand only) available in the estate and there was in his hands to the credit of the said estate, a clear balance of Rs.7,85,718/- (Rupees Seven lakhs eighty five thousand seven hundred and eighteen only) along with notional interest of Rs.1,88,348/- (Rupees one lakh eighty eight thousand three hundred and forty eight only) aggregating to a sum of Rs.9,74,066/-(Rupees Nine lakhs seventy four thousand and sixty six only) which is sufficient to declare the first and final



to the said Official Assignee of the said commission of Rs.70,000/- (Rupees Seventy thousand only) AND DOTH DECLARE THE first and final dividend among the 2 proved unsecured creditors of the said insolvent M.Balu of the sum of Rs.9,74,066/- (Rupees Nine lakhs seventy four thousand and sixty six only) at the rate of 100 Paise in the rupee on the amount of the admitted debts Rs.7,85,718/- (Rupees Seven lakhs eighty five thousand seven hundred and eighteen only) due to them respectively.

2. That the Official Assignee be and is hereby permitted to disburse the sum of Rs.4,08,219/- (Rupees Four lakhs eight thousand two hundred and nineteen only) to the proved unsecured creditor S.Dayalan from and out of the sum of Rs.9,74,066/-.

3. That the Official Assignee be and is hereby permitted to set aside the sum of Rs.5,65,847/-(Rupees Five lakhs sixty five thousand eight hundred and forty seven only) in the Personal Deposit Account maintained with the Reserve Bank of India, Chennai towards amount payable to the deceased M.E.Allaudin.

6. That the amounts payable to the deceased M.E.Allauddin should be



evidence that they are the legal heirs of the deceased M.E.Allaudin.

WEB COPY WITNESS THE HON'BLE MR.JUSTICE SANJIB BANERJEE,
CHIEF JUSTICE, HIGH COURT AT MADRAS AFORESAID, THIS THE
15TH DAY OF NOVEMBER 2021.

Sd/-

ASSISTANT REGISTRAR

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DATED THIS THE DAY OF 2021.

MANAGER

INSOLVENCY OFFICE

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15/12/2021

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HIGH COURT, MADRAS.

APPLN.Nos.93 to 95 of 2021

in

I.P. No. 153 of 1997

FIRST AND FINAL
DIVIDEND DECLARATION

ORDER DATED : 15/11/2021

THE HON'BLE MR.JUSTICE
SENTHILKUMAR RAMAMOORTHY

FOR APPROVAL:21/12/2021

APPROVED ON : 22/11/2021

COPY TO:-

THE OFFICIAL ASSIGNEE
HIGH COURT, MADRAS.



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IN THE HIGH COURT OF JUDICATURE AT MADRAS

(IN INSOLVENCY)

MONDAY, THE 15TH DAY OF NOVEMBER 2021

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

Appln. Nos.93 to 95 of 2021

in

I.P. No.153 of 1997

In the matter of the Presidency
Towns Insolvency Act, III of
1909 and In the matter of
M.Balu - Debtor

IP NO.153 of 1997

1.M.E.Allauddin,
S/o. Mohammed Ibrahim,
Residing at Door No.65, N.M.K.Street,
Ayanavaram, Chennai.

2.S.Dayalan,
S/o.R.Srinivasalu,
Residing at Door No.71,
Palayakkara Street,
Ayanavaram, Chennai.

...Petitioning Creditors

Vs

M.Balu
S/o.S.Marimuthu,
131,Mullai Nagar,
M.K.B.Nagar, Madras-39.

... Respondent/Debtor

Appln.No.93 to 95 of 2021:-

Official Assignee,
High Court, Madras.

...Applicant

Vs



1. M.Balu

...1st Respondent/Insolvent2. M.E.Allauddin,
S/o.Mohd.Ibrahim3. S.Dayalan,
S/o.N.Srinivasalu...2nd & 3rd Respondents/ Petitioning
Creditors**Appln.No.93 of 2021:-**

Application praying that this Hon'ble Court be pleased to pass an order permitting the Official Assignee to declare first and final dividend at the rate of 100 paise in a rupee to the extent of Rs.7,85,718/- along with notional interest at 14% p.a. amounting to Rs.1,88,348/- totalling to a sum of Rs.9,74,066/- to 2 proved unsecured creditors.

Appln.No.94 of 2021:-

Application praying that this Hon'ble Court be pleased to pass an order permitting the Official Assignee to disburse the sum of Rs.4,08,219/- to the proved unsecured creditor S.Dayalan.

Appln.No.95 of 2021:-

Application praying that this Hon'ble Court be pleased to pass an order permitting the Official Assignee to keep aside a sum of Rs.5,65,847/- in Personal Deposit Account of the Official Assignee maintained with R.B.I., Chennai, being the amount payable to the deceased M.E.Allauddin, which may be disbursed to the legal heirs of the deceased M.E.Allauddin, as



The above applications coming on this day before this court for hearing in the presence of the Official Assignee, the applicant in all applications; and Mr.R.S.Ranganathan, advocate for the 1st respondent/Insolvent in all applications; and upon reading the Judges Summon and Report of the Official Assignee filed in all applications and **the court made the following order:-**

These applications are filed to permit the Official Assignee to declare the first and final dividend at the rate of 100 paise in a rupee; for permission to keep aside a sum of Rs.5,65,847/- in the Personal Deposit Account of the Official Assignee towards amounts payable to the deceased M.E.Allauddin; and for permission to disburse the sum of Rs.4,08,219/- to the proved unsecured creditor, S.Dayalan.

2.The Official Assignee has filed a report in support of the above mentioned applications. As per the report dated 27.10.2021 it is stated that only two claims were received in respect of the estate of the insolvent. One claim is from the petitioning creditor, S.Dayalan, whose claim was admitted in a sum of Rs.3,32,466/- on 20.04.2017. As regards the other petitioning creditor, M.E.Allauddin, his claim was admitted in a sum of Rs.4,53,252/- on 20.08.2018.

3.The Official Assignee states that M.E.Allauddin passed away in the



is stated that none of the legal heirs of the deceased M.E.Allauddin have come forward to make a claim as his successors.

4.The Official Assignee indicates that a sum of Rs.12,23,059/- was realized from the sale of assets of the insolvent. As such, it is stated that the Official Assignee is in a position to declare the first and final dividend at the rate of 100 paise in rupee, thereby aggregating to the sum of Rs.7,85,718/- and notional interest thereon of Rs.1,88,348/-. In total, the amount payable as dividend aggregates to a sum of Rs.9,74,066/-. From and out of the said sum, it is stated that a sum of Rs.4,08,219/- is payable to the unsecured creditor, S.Dayalan, after reckoning interest. As regards the deceased M.E.Allauddin, the amount payable, including interest is Rs.5,65,847/-. In view of the failure of his legal heirs to claim as on date, the Official Assignee seeks permission to set aside the said sum in the Personal Deposit Account of the Official Assignee maintained with the Reserve Bank of India, Chennai.

5.Upon considering the submissions of the Official Assignee and on examining the report filed in support of Appln.Nos.93 to 95 of 2021, I find that the said applications are liable to be allowed as prayed for. Accordingly, the applications are allowed with the following directions:

(i)The Official Assignee is permitted to declare the first and final

dividend at the rate of 100 paise in a rupee to the extent of Rs.7,85,718/-



along with the notional interest of Rs.1,88,348/- aggregating to a sum of Rs.9,74,066/-.

(ii) From and out of the sum of Rs.9,74,066/-, the Official Assignee is permitted to:

(a) Disburse the sum of Rs.4,08,219/- to the unsecured creditor, S.Dayalan; and

(b) Set aside the sum of Rs.5,65,847/- in the Personal Deposit Account maintained with the Reserve Bank of India, Chennai towards amounts payable to the deceased M.E.Allauddin.

(iii) Amounts payable to the deceased M.E.Allauddin should be disbursed to his legal heirs only upon such legal heirs providing sufficient evidence that they are the legal heirs of the deceased M.E.Allauddin.

WITNESS THE HON'BLE MR.JUSTICE SANJIB BANERJEE,
CHIEF JUSTICE, HIGH COURT AT MADRAS AFORESAID, THIS THE
15TH DAY OF NOVEMBER 2021.

Sd/-

ASSISTANT REGISTRAR

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22/12/2021

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HIGH COURT, MADRAS

Appln. Nos.93 to 95 of 2021

in

I.P. No.153 of 1997

THE HON'BLE MR.JUSTICE
SENTHILKUMAR RAMAMOORTHY

ORDER DATED:15/11/2021

FOR APPROVAL:22/12/2021

APPROVED ON :22/12/2021

COPY TO:-

THE OFFICIAL ASSIGNEE
HIGH COURT, MADRAS.