



Comp.A.No.41 of 2022

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in C.P.No.126 of 2008

WEB CO **SENTHILKUMAR RAMAMOORTHY, J.**

This application is filed by a borrower of the company in liquidation seeking execution of a discharge receipt in the office of the jurisdictional Sub Registrar for cancellation of the memorandum of deposit of title deeds dated 23.04.1996 in respect of the property described in the Judge's summons.

2. The applicant states that he had availed of a loan of Rs.1,00,000/- from the company in liquidation by executing the memorandum of deposit of title deeds dated 23.04.1996. The applicant asserts that the said loan was re-paid along with interest thereon on 25.04.1997. He relies on a no due certificate dated 18.11.2008.

3. The Official Liquidator has filed a report in response. In the said report, the Official Liquidator states that the Court appointed him as Provisional Liquidator by order dated 08.08.2008. Therefore, the alleged no due certificate is subsequent to the order appointing the Official Liquidator as Provisional Liquidator.

4. It is further stated that a letter was sent to the ex-director of the company in liquidation on 17.02.2022 to ascertain information about the present transaction. In response, it is stated that a reply dated 04.03.2022 was received. In the said reply, Mr.K.Sundaram, ex-director, stated that the loan was re-paid prior to winding up, but he is unable to confirm the veracity of the no due certificate.



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5. Upon being directed to do so, the applicant has produced all the original title documents pertaining to the relevant property. The original no due certificate has also been produced. In the reply dated 04.03.2002, Mr.K.Sundaram, ex-director, stated that the loan was re-paid prior to the winding up. He further stated that if there were arrears, the name of the applicant would have appeared in the list of debtors filed along with the statement of affairs.

6. When the above facts and circumstances are considered, notwithstanding the doubts expressed with regard to the validity of the no due certificate, the applicant is entitled to succeed.

7. Accordingly, this application is allowed by directing the Official Liquidator to execute and register a discharge receipt in the office of the jurisdictional Sub Registrar with regard to the cancellation of the memorandum of deposit of title deeds dated 23.04.1996 (Document No.1129 of 1996, SRO-Velachery). All necessary particulars for the above purpose shall be provided by the applicant to the Official Liquidator.

23.09.2022

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