Comp.A.Nos.102 & 104 of 2022
in
C.P.No.36 of 2006

KRISHNAN RAMASAMY, J.

When this application came up for hearing on 06.04.2023, this Court recorded the submission of learned Official Liquidator and passed the following order:

> *"Today when the matter is taken up for hearing, the learned counsel appearing for the secured creditors would submit that a sum of Rs.5,25,00,000/- is available out of the sale proceeds of the secured assets. Out of the said amount, the secured creditors are entitled to 50% of the amount. Therefore, he seeks permission of this Court to utilise 50% of the realized amount.*
>
> *2. The learned Official Liquidator would submit that there are two claims viz., (1) secured claim and (2) workmen's claim. Therefore, he would further submit that the workmen are also entitled on par with the secured creditors. Hence, he seeks time to file a report in this regard.*
>
> *At request of the learned Official Liquidator, for filing a report, post the matter on 13.04.2023."*

2. Pursuant to the above order, the learned Official Liquidator filed his report and the relevant portion of the said report is extracted hereunder:

> *"6. That the applicant vide letter dated 26.07.2021*

informed that the property was sold for Rs.5,25,00,000/- through e-auction and remitted the said sale proceeds into the credit of the W.P.No.35347 of 2019 as per the directions of this Hon'ble Court, the said amount is in fixed deposit created in the name of "The Registrar General, High Court, Madras". A copy of the said letter dated 26.07.2021 is enclosed and marked as Annexure A to this report.

7. That in view of the above, the Official Liquidator has no objection to release 50% of the sale proceeds of Rs.5,25,00,000/- in fixed deposit created in the name of "The Registrar General, High Court, Madras".

3. Since the learned Official Liquidator and the applicant would submit that 50% of Rs.5,25,00,000/- can be released in favour of the Official Liquidator towards the workmen's claim as they are entitled *pari passu* charge on the secured assets at par with secured creditors, this Court is of the considered view that the said amount, i.e., 50% of the sale proceeds, shall be transferred to the Official Liquidator, so that he can utilise the same for the purpose of disbursement of the claims of workmen.

4. As far as the remaining amount is concerned, the applicant is permitted to withdraw the same and appropriate the sale proceeds towards the debts of the Company.

5. With the above directions, these applications are disposed of.

13.04.2023

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KRISHNAN RAMASAMY, J.

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13.04.2023