

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

OFFICIAL LIQUIDATOR'S REPORT NO. 81 OF 2024
IN
COMPANY PETITION NO. 505 OF 2006

In the matter of the Companies
Act, I of 1956;

And

In the matter of Coromandal
Garments Limited (in liquidation)

Board for Industrial & Financial Reconstruction ... Petitioner

Mr. Mutahhar Khan, Advocate for the Official Liquidator.

Mr. Chandan Kumar, Official Liquidator alongwith Ms. Nikita Yadav,
Assistant Official Liquidator, present.

CORAM : ABHAY AHUJA, J.
DATE : 8 AUGUST, 2024

P.C. :

1. This Official Liquidator's Report seeks the following prayers :

a) In view of para 10 and 13 of this report, whether this Hon'ble High Court would be pleased to permit the Official Liquidator to declare a dividend @25% to M. Murgan Chettiar & Company and Skill Lotto Solution Pvt. Ltd. from the fund available to the credit of the company (In Liqn.)

b) In view of para 12 of this report whether this Hon'ble Court would be pleased to to dispense with action of opening separate dividend account under

Rule 290 of the Companies (Court) Rules 1959 and since there is only two ordinary creditors to whom the amount is to be paid, this Hon'ble Court may permit to pay the dividend to M. Murgan Chettiar & Company Rs.24,93,781/- and Skill Lotto Solution Pvt. Ltd. Rs.32,62,500/- from PD account of Official Liquidator.

c) In view of para 12 of this report whether this Hon'ble Court would be pleased to permit the Official Liquidator to pay dividend for a period of 6 months from the date of order passed by this Hon'ble Court in this report if M. Murgan Chettiar & Company and Skill Lotto Solution Pvt. Ltd. do not discharge the dividend notice in the period of 6 months thereafter the Official Liquidator may be allowed to transfer the unpaid/unclaimed amount, if any, to the "Companies Liquidation Account" maintained by the Registrar of Companies, Maharashtra, Mumbai with the Reserve Bank of India as required under Section 555 of the Companies Act, 1956.

d) In view of para 11 of this report, whether this Hon'ble Court would be pleased to dispense with the action of publishing notice of declaration of dividend in English and in local Language under Rule 276 of Companies (Court) Rules, 1959. Since the dividend is to be declared to two Ordinary Creditors. The Official Liquidator will send the notice of payment to M. Murgan Chettiar & Company and Skill Lotto Solution

Pvt. Ltd. by “Speed Post” to their last known address available with this office.

2. Mr. Khan, learned counsel for the Official Liquidator submits that by order dated 27th August 2009, M/s. Coromandal Garments Ltd. was wound up, after which the Official Liquidator who was appointed, took over the assets of the Company and sold the said assets after the approval of the Court. Thereafter, making payment to the secured creditor, the Official Liquidator invited claims from the workers and creditors by publishing notice in newspaper as per law. Mr. Khan would submit that the Official Liquidator has adjudicated various claims of the workers as well as other claims, but till date has not received any claim from the Employees’ Provident Fund Authority. That 100% dividend was declared and paid to the workers and to the other creditors. However, two of the claimants were paid only 75% dividend. That since there is a surplus lying in the account of the Company in liquidation, it has been proposed that in respect of two claimants viz. M. Murgan Chettiar and Company and Skill Lotto Solution Pvt. Ltd., 25% dividend be declared so that their claim of 100% as paid to the other claimants is also paid to them.

3. Mr. Khan also seeks dispensation of notice declaring the said

dividend in addition to dispensation of opening of a separate account submitting that the exercise would save money as there are only two claimants.

4. Having heard the learned counsel and having considered the submissions, this Court is of the view that for reasons stated in the Official Liquidator's Report, in respect of the two claimants viz., M. Murgan Chettiar and Company and Skill Lotto Solution Pvt. Ltd. dividend @ 25% be declared. This Court is also inclined to dispense with the opening of separate dividend account for the reasons submitted on behalf of the Official Liquidator.

5. However, this Court cannot accede to the request to dispense with the notice of declaration of the dividend. Accordingly, let notice of declaration of dividend be published in two newspapers circulating in Mumbai, viz. Navshakti in Marathi and Free Press Journal in English within a period of four weeks from today and an appropriate compliance report be placed before this Court. The Official Liquidator to also send individual notices of payment to M. Murgan Chettiar and Company and Skill Lotto Solution Pvt. Ltd. by Speed Post and file an appropriate Affidavit of service.

6. The payment for expenses with respect to the advertisement/publishing as well as speed-post be made from the account of the

Company in liquidation lying with the Official Liquidator.

7. This Court accordingly permits the Official Liquidator to declare dividend @ 25% to be paid to M. Murgan Chettiar and Company and Skill Lotto Solution Pvt. Ltd. in terms of paragraphs 10 to 13 of the Official Liquidator's Report.

8. The Official Liquidator's Report stands allowed in terms of prayer clauses (a), (b) and (c). The Official Liquidator's Report to stand disposed as above.

(ABHAY AHUJA, J.)