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

OFFICIAL LIQUIDATOR'S REPORT NO. 110 OF 2024
IN
COMPANY PETITION NO. 1145 OF 2015

IN THE MATTER OF COMPANIES ACT, 1 OF 1956;
AND
IN THE MATTER OF KUDUS STEEL ROLLING MILLS PVT. LTD. (IN LIQUIDATION)

THE ABHYUDAYA CO-OP. BANK LTD.)...PETITIONER

Mr.Ranjeev Carvalho, Advocate for the Official Liquidator.
Mr.Chandan Kumar, Official Liquidator, present in Court.
Ms.Merlyn Vasudeo nee Monteiro, Advocate for the Abhyudaya Co-op. Bank – Secured Creditor.
Mr.Telang, Manager, Abhyudaya Co-op. Bank, present in Court.

CORAM : ABHAY AHUJA, J.

DATE : 3rd OCTOBER 2024

P.C. :

1. This Official Liquidator's report seeks permission of this Court to declare and pay the 1st dividend at the rate of 9 paise in a rupee to the only secured creditor viz. Abhyudaya Co-operative Bank Ltd. of an amount of Rs.4,87,30,280/- whose claim has been admitted and the list has been filed with the Prothonotary and Senior Master of this Court

subject to undertaking by the secured creditor to bring back the amount as and when required to fulfill the future liabilities / workers' claim arising under Section 529(A) of the Companies Act, 1956, as and when directed by this Court.

2. Mr.Carvalho, learned Counsel for the Official Liquidator, submits that since there is only one secured creditor to whom the dividend is to be declared, in order to save expenses, the publication in newspaper under Rule 276 of the Company (Court) Rules, 1959, be dispensed with and instead individual notice be permitted to be issued to the secured creditor. That, for the same reason, opening of separate dividend account under Rule 290 of the Company (Court) Rules, 1959 also be dispensed with and the Official Liquidator be permitted to make payment of the dividend amount to the secured creditor directly within a period of six months from the date of passing of this order.

3. Ms.Merlyn Vasudeo, learned Counsel appearing for the secured creditor, has no objection if the Official Liquidator's report is allowed as prayed for.

4. Having heard the learned Counsel and having considered the submissions, this Court allows the Official Liquidator's report in terms of prayer clauses (a) to (c) which read thus :

(a) In view of para (11) of this report, whether this Hon'ble Court would be pleased to permit the Official Liquidator to declare and pay the 1st dividend @ 9 paise in a rupee to the Abhyudaya Co-operative Bank Ltd, (Secured Creditor) of an amount of Rs.4,87,30,280/-, whose claim has been admitted and the list filed with the Prothonotary and Senior Master of this Hon'ble Court, subject to undertaking to be submitted by the Secured Creditor i.e. Abhyudaya Co-operative Bank Ltd. to bring back the amount as and when required to fulfill the future liabilities (workers claim) arise under Section 529(A) of the Companies Act, 1956 and when directed by Hon'ble High Court, Bombay.

(b) In view of para (12) of this report, whether this Hon'ble Court may be pleased to dispense with the requirements of Rule 276 of Company (Court) Rules 1959 regarding newspaper publication of the dividend notices and further be pleased to permit the Official Liquidator to issue individual notice to Secured Creditor i.e. Abhyudaya Co-operative Bank Ltd. by "Speed Post" to their last known address.

(c) In view of para (13) of this report, whether this Hon'ble Court may be pleased to dispense with opening of "Separate Dividend Account" required under Rule 290 of the Companies (Court) Rules 1959 and may be permitted to the Official Liquidator to make payment of Dividend @ 9% in a rupee of Rs.4,87,30,280/- to the Abhyudaya Co-operative Bank Ltd, Secured Creditor from the funds available to the credit of the company (In Liqn.) and the dividend shall be payable within a period of six months from the date of passing of this report or the date on which the direction is given by this Hon'ble Court for declaration of dividend whichever is later and if the Bank fails to discharge the dividend notice within time, the Official Liquidator may be permitted to transfer the unpaid/unclaimed amount to the Companies Liquidation Account maintained by the Registrar of Companies as required under section 555 of the Companies Act, 1956.

5. The Official Liquidator's report, accordingly, stands allowed and disposed as above.

(ABHAY AHUJA, J.)