



Comp.A.No.570 of

Comp.A.No.570 of 2010
in C.P.No.263 of 2001

WEB COPY **K.KUMARESH BABU, J.**

This Company Application has been filed seeking for the following reliefs:-

(1) Treat this application as urgent

(2) To examine the conduct of the respondents known as the ex-directors of the company in liquidation in terms of Sections 542 and 543(1) of the Companies Act, 1956 and order that they are jointly and severally liable to contribute to the assets of the company in liquidation by way of compensation for the loss caused by them to the company in liquidation to the extent of Rs.313.88 Lakhs (Rupees Three Crores Thirteen Lakhs Eighty Eight Thousand only) and the future claims from the creditors with interest at the rate of 12% per annum thereon from the date of winding up i.e., from 01.08.2002 to till date of recovery of the entire amount.

(3) To declare that the respondents 1 to 9 herein are personally liable/ responsible within any limitation of liability for all the debts and other liabilities of the company in liquidation,

(4) To declare the liabilities of the respondents 1 to 9

<https://www.mhc.tn.gov.in/judis> *for the said sum of Rs.313.88 Lakhs (Rupees Three Crores*



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Thirteen Lakhs Eighty Eight Thousand only) on the property and effects in their possession

(5) To direct the respondents to pay the applicant the cost and incidental expenses of these proceedings.

(6) To permit the Official Liquidator to engage the services of a Senior Counsel of the Madras Bar to conduct this case on behalf of the Official Liquidator.

(7) To allow the Official Liquidator to place/ accept further facts, if any at the time of hearing this case

(8) to permit the Official Liquidator to meet the cost of this application and the cost of engaging a Senior Counsel and other costs from the funds of the company and if it is insufficient may borne from the Common Establishment Charges Account maintained by Official Liquidator.

(9) To pass such other order/s

2. By an order dated 17.10.2019, the applicant was permitted to take substituted service by way of paper publication and the same was also been effected to. Since, there is no representation on the side of the respondent, the matter was relegated for recording of evidence before the learned Master.

<https://www.mhc.tn.gov.in/judis>

Evidence was also recorded on 04.06.2024. The learned Master also recorded



that there was no representation on the side of the respondent.

3. I have perused the materials available on record and also the evidence of P.W.1 let in on behalf of the applicant. From the statement of the affairs that had been marked as Ex.A1 and the deposition in chief of PW1, I am satisfied that there has been a mismanagement and mal-administration by the Ex-Directors of the Company and therefore, they are jointly and severally liable to contribute to the assest of the Company in liquidation by way of compensating all the loss that had been caused to them which have been quantified by the applicant and proved by the evidence of PW1.

4. In such an event, I hold that the respondents are jointly and severally liable to contribute a sum of Rs.313.88 Lakhs (Rupees Three Crores Thirteen Lakhs Eighty Eight Thousand only) together with interest at the rate of 12% p.a from 04.08.2022 ie., the date of winding up of the company and they shall deposit the same with the applicant within a period of twelve (12) weeks from the date of receipt of a copy of this order.

5. Accordingly, this application is ordered.

Gba

30.08.2024



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