



W.P.No.8537 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 15.10.2024

Coram:

THE HONOURABLE MS.JUSTICE R.N.MANJULA

W.P.No.8537 of 2022 and
W.M.P.Nos.8441 of 2022 & 30785 of 2024

The Recovery Officer,
Employees' Provident Fund Organisation,
Regional Office,
No.1, Lady Doak College Road,
Madurai

...Petitioner

Vs

1. The Official Liquidator
Office of the Official Liquidator
(M/s. Sheela Rani Textiles Ltd)
High Court, Madras
Corporate Bhavan, 2nd Floor,
29, Rajaji Salai,
Chennai – 600 001
2. M/s T.Srinivasa & Co.,
Chartered Accountant
(Power of Attorney executed by Rathnagar Bank Ltd.,
to represent M/s Sheela Rani Textiles Ltd.,)
B1, Manish Tower
84, J.C.Road, Bangalore – 560 002

...Respondents



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PRAYER: Writ Petition filed under Article 226 of Constitution of India for issuance of a Writ of Mandamus by directing the 1st respondent, Official Liquidator to pay the claim of Rs.1,65,99,914/- made in Form-66 dated 09.01.2019 as per the revised claim in Form-66 dated 09.01.2019 to the petitioner Employees Provident Organisation within time frame preferably within one month.

For Petitioner : Mr.V.Sundareswaran

For Respondents : Mr.C.Mohan
Ms.A.Rexy Josephine Mary for
M/s King & Partridge for R2
R1 – Official Liquidator.

ORDER

This Writ Petition has been preferred seeking a direction against the 1st respondent, Official Liquidator to pay the claim of Rs.1,65,99,914/- dated 09.01.2019 to the Employees Provident Fund Organisation.

2. The learned counsel for the petitioner submitted that as per Form 70 issued by the 1st respondent, a Company Petition has been filed in C.P.No.132 of 2008 in respect of the company, by name, M/s Sheela Rani Textiles Limited and the same has been liquidated. While passing the order, a sum of Rs.5,74,93,658.55 has been admitted before the Official Liquidator as dues



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outstanding as on the date of winding up under the heads 7-A, 7-Q and 14-B.

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3. When the matter was taken up for hearing today, M/s Rathnagar Bank Limited has filed a petition seeking to substitute the 2nd respondent by stating that the said Company [Sheela Rani Textiles] in whose favour the loan amount pending to be paid by Sheela Rani Textiles has been assigned.

4. The contention of the petitioner is that Rathnagar Bank Limited has no role at this stage, because already the company, namely, Sheela Rani Textiles has been liquidated and while passing the orders, a sum of Rs.5,74,93,658.55 has been admitted as the amount claimed towards dues of EPF contribution, interest and damages payable by the company to the EPF Organisation. In this regard, the order has been filed in Company Application no.22 of 2019 in C.P.No.132 of 2008, wherein, the amount, has been mentioned as an admitted one in accordance with the report of the official liquidator dated 22.09.2023.

5. The 1st respondent / Official Liquidator has filed a report in response to this Writ Petition wherein he has stated that as per the adjudication of the 1st respondent dated 07.02.2015, the said sum has been admitted against the



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company during the winding up process. The said amount would represent the EPF contribution dues, interest on the dues and the damages in the delay caused in making the payments. The said adjudication has not been challenged by either of the parties to the company petition or the creditors including the petitioner herein.

6. Even according to the submission of the official liquidator, the assignee bank, namely, Rathnagar Bank Limited has paid a sum of Rs.4,50,41,732/- on 08.03.2018 and there is a remaining sum of Rs.1,24,51,926.50 to be paid to the petitioner. Even though the official liquidator / 1st respondent, issued letter to Rathnagar Bank Limited, advising the bank not to remit the bank a sum of Rs.1,24,51,926/- claimed by the petitioner / EPF Organisation under the category 14(B) damages, in the order dated 10.11.2023 made in Company Application No.22 of 2019, it has been observed that the said amount of Rs.1,24,51,925/- is also payable to the petitioner's organisation as it has been admitted already.

7. Further, the order calling upon the 1st respondent to file a fresh reports in view of certain contradictions, further the order does not make any specific mention of remittance of Rs.1,24,51,925/- Even according to the report of the 1st respondent, the said sum remains to be paid to the petitioner.



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8. In case, the 2nd respondent has got any grievance, they can file a Company Application before the Company Court and seek clarification as to the contradictory reports filed by the official liquidator before the court and their own letter sent to the RBL Bank dated 23.08.2018. But, even by getting such clarification, the claim of the petitioner would be limited to Rs.1,24,51,925/- and not for Rs.1,65,99,914/-. In the event of official liquidator filing a report clarifying the contradictions between report before the court and the letter sent to the Rathnagar Bank Limited advising not to pay the element of damages to the petitioner's organisation, the petitioner is at liberty to seek further orders from the Company Court itself for getting direction to the release of the amount of Rs.1,24,51,925/-

9. In the light of the above observation, this Writ Petition is disposed and the 1st respondent / official liquidator is directed to file an appropriate report by clarifying above dispute to the Company Court and get appropriate orders for either to release or not to release the sum of Rs.1,24,51,925/- to the petitioner.



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In view of the above, the contention raised by Rathnagar Bank Limited who has filed W.M.P.No.30875 of 2024 are left open to be raised during any other appropriate proceedings before any other appropriate forum. Consequently, connected miscellaneous petitions are closed. No costs.

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Index : Yes / No
Internet : Yes / No
Speaking Order / Non Speaking Order

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R.MANJULA, J.

ssd

To

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