

**THE HON'BLE Ms. JUSTICE G.ROHINI**

**C.A.Nos.1532 and 1533 of 2010**

**In**

**R.C.C. No. 4 of 1999**

-

**Date: 18.01.2011**

**Between:**

M/s. Hindustan Magnetics Limited,  
Rep., by its Official Liquidator,  
High Court of A.P.,  
Hyderabad.

...Applicant

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**THE HON'BLE Ms. JUSTICE G.ROHINI**

**C.A.Nos.1532 and 1533 of 2010**

**In**

**R.C.C.No. 4 of 1999**

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**COMMON ORDER:**

By order dated 30.07.1999 made in R.C.C.No.4 of 1999 this Court directed winding up of M/s. Hindustan Magnetics Limited and appointed Official Liquidator attached to this Court as its liquidator.

During the course of winding up proceedings, the Official Liquidator had taken possession of the assets of the company in liquidation and sold the same. Out of the sale proceeds different amounts have been disbursed to the secured creditors towards interim payments. Pursuant to the order passed by this Court in C.A.No.277 of 2004 dated 01.04.2004, the Official Liquidator had invited the claims from the creditors of the company and all the claims received from the secured creditors and workmen of the company in liquidation were adjudicated. By order dated 23.11.2006 in C.A.No.1603 of 2006, the certificate in Form No.71 containing the list of creditors was also taken on record.

While stating that in terms of the order dated 10.08.2006 in C.A.No.516 of 2006 passed by this Court the Official Liquidator had declared and disbursed a first dividend @ 7.8124% to the workmen of the company in liquidation, the Official Liquidator filed these two applications stating that in view of the subsequent claims received from some other secured creditors and other creditors whose claims were adjudicated and admitted, he may be permitted to vary the list of creditors of the company in liquidation. The Official Liquidator also proposes to declare and disburse the 1<sup>st</sup> dividend to the secured creditors and the 2<sup>nd</sup> dividend to the workmen of the company in liquidation out of Rs. 7,25,000/- available to the credit of the company in liquidation. A list of the eligible secured creditors and workmen of the company in liquidation has been enclosed as Annexure-B. Thus, the Official Liquidator seeks the following reliefs in these two

applications.

- i. permit the Official Liquidator to vary the list of creditors of the company submitted before this Hon'ble Court in Form No.71 of the Companies (Court) Rules, 1959 and to include the names of secured creditors, Income-Tax Department, Central Excise Department, whose claims were adjudicated and to take the Form No.71 as varied on record vide Annexure-A.
- ii. declare a 1<sup>st</sup> dividend @ 0.4604% in a Rupee to IDBI, IFCI & ICICI @ 0.0743% in a Rupee to Punjab & Sind Bank, Allahabad Bank and 2<sup>nd</sup> dividend @ 0.5347% in a Rupee to workmen of the company totaling an amount of Rs.7,25,000/- as per Annexure-B.
- iii. permit the Official Liquidator to pay dividend during six months period after notices are issued.
- iv. Permit the Official Liquidator to open a separate dividend account and keep it in force for a period of six month.
- v. Allow the Official Liquidator to remit the dividend which remains unpaid after six months into the Companies Liquidation Account to the credit of the Government of India.
- vi. Permit the Official Liquidator to pay the dividend to the deceased workman to his legal heirs on furnishing necessary proofs such as legal heir certificate/family member certificate or such other relevant certificate as issued by concerned authority viz., MRO along with submitting necessary indemnity bond.
- vii. Dispense with the publication of notice of dividend in newspapers as the same is in respect of secured creditors & workmen, whose being individually/thro union informed.
- viii. Authorize Official Liquidator to send individual notice of dividend in Form No.138 along with proforma receipt to secured creditors & workmen union.
- ix. Authorize Official Liquidator to fix the schedule for making payment.
- x. Permit the Official Liquidator to dispense with the adjudication of claims of other creditors who are not likely to receive dividends so as to dissolve the

company after accomplishment of proposed dividends.

- xi. Permit authorize Official Liquidator to take all necessary actions and steps which are incidental to declaration and payment of dividend and to effectively implement the orders of this Hon'ble Court in that regard.
- xii. Order that the costs of this application do come out of the Estate of the Company (in liquidation).

I have heard Sri M.Anil Kumar, learned counsel for the Official Liquidator.

As could be seen from the affidavit filed in support of the application, as on date a sum of Rs.7,50,000/- is available to the credit of the company in liquidation and the Official Liquidator proposes to declare 1<sup>st</sup> dividend to the secured creditors and 2<sup>nd</sup> dividend to workmen of the company after appropriating a provision for Central Government Fees & Anticipated Liquidation Expenses amount to Rs.10,000/- and Rs.15,000/- respectively. Hence, an amount of Rs.7,25,000/- is now proposed for declaring 2<sup>nd</sup> dividend to eligible secured creditors & workmen of the company in liquidation.

I have also perused the detailed statement enclosed to the application as Annexure-B furnishing the calculation of amount available for dividend and proposed distribution. The material available on record shows that the dividend proposed by the Official Liquidator is proper and in order.

Accordingly, C.A.Nos.1532 and 1533 of 2010 are ordered as prayed for and the Official Liquidator is hereby permitted to vary the list of creditors of the company in liquidation and to include the names of the secured creditors, Income-Tax Department, Central Excise Department, whose claims were adjudicated. The Official Liquidator is also permitted to declare and disburse the dividends as proposed. The other reliefs sought in the applications are also hereby granted.

Both the Company Applications are hereby disposed of. No costs.

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G.ROHINI,J

Date : 18.01.2011  
KLP