

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH; AT HYDERABAD.
(ORDINARY ORIGINAL/CIVIL JURISDICTION)

WEDNESDAY THE EIGHTEENTH DAY OF JULY
TWO THOUSAND AND ONE
PRESENT:

THE HON'BLE MR. JUSTICE J. CHELAMESWAR
COMPANY APPLICATION No. 357 of 2001 in
R.C.C. No. 5 of 1998

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
And

IN THE MATTER OF M/s DELHI TUBES LTD., (In Liquidation)

Between:

A.P. State Financial Corporation,
rep. by the senior Branch Manager,
Ranga Reddy Branch (East) Hyd. ... Applicant

And

M/s Delhi Tubes Ltd., (In Liquidation),
rep. by official Liquidator, High Court of A.P.,
Hyderabad. ... Respondent

Petition/Application U/s 446 of the Companies Act r/w
Sec. 29 and 46 (B) SFCs Act r/w Rule 9 of the Company Court
Rules, praying that the High Court will be pleased to permit
the Applicant Corporation to remain outside Liquidation proceedings
to pursue the statutory remedies conferred upon it U/ss. 29 and 31

Subject of this
This Application coming on for orders upon reading the
Judge's summons and the affidavit dt. 4-6-2001 and filed by
Senior Branch Manager, A.P. State Financial Corporation in
~~support of this~~ Mr. V. Ramachander, Application and upon
hearing the arguments of Mr. Y. N. Lohita, Advocate for the
applicant and of the counsel for the Official Liquidator
on behalf of the respondent, the court made the following:

ORDER:

This application is filed by the A.P. State Financial
Corporation with the prayer as follows:

"permit the Applicant Corporation to
remain outside liquidation proceedings
in pursuing its statutory remedies
conferred upon it under Section 29 and 31,
and to pass such further and other order
or orders as may be found expedient in the
circumstances of the case."

The respondent company was directed to be wound up
by an order of this Court dated 10-4-2000.

The case of the applicant is that the applicant is
entitled to recover an amount of Rs. 1,73,34,180-00 from the
Company in liquidation, which amount is secured by a mortgage
of land and buildings of the Company in liquidation. Hence,
the present application.

The official liquidator filed a report. In the
circumstances, the application is allowed as prayed for
subject to the following conditions:-

i. That the applicant corporation should under take to discharge the liability under section 529-A of the Companies Act, 1956.

ii. The applicant should allow the official liquidator to make inspection of the properties of the company as and when required.

iii. The applicant should keep the official liquidator informed about the steps taken pursuant to the present order from time to time.

iv. The applicant should finalize the sale proceeds in presence of the official liquidator.

Sd/-D.V. SUBRAHMANYAM
JOINT REGISTRAR

:: TRUE COPY ::

SECTION OFFICER

- To
1. The Senior Branch Manager, A.P. State Financial Corporation, Ranga Reddy Branch (East), Hyderabad.
 2. The Official Liquidator M/s Delhi Tubes Ltd., (In Liquidation) High Court of A.P., Hyd.
 3. The Registrar of Companies, 3-5-398, C.P.W.D. Building, Kendriya Sadan, Sultan Bazar, Koti, Hyd.
 4. The Official Liquidator, Kendriya Sadan, 3-5-398, C.P.W.D., Building, Sultan Bazar, Koti, Hyd.
 5. 1 c.c. to the Section Officer, O.S. Section, High Court of A.P., Hyd.
 6. The Regional Director, Company Law Board, Southern Region, Chennai.
 7. 2 C.D. copies.

mk

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH : AT
HYDERABAD

(Under Original Jurisdiction)

C.A. No.

357 of 2000

in

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IN THE MATTER OF COMPANIES ACT (Act 1 of 1956)

AND

IN THE MATTER OF M/s. DELHI TUBES LIMITED
(In Liquidation)

Between:-

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Ranga Reddy Branch (East), Hyderabad ... Applicant

AND

M/s. Delhi Tubes Limited (in Liquidation),
rep. by Official Liquidator, High Court
of A.P., Hyderabad ... Respondent

JUDGE'S SUMMONS

(Petition under Sec.446 of the Companies Act
Read with Sec.29 & 46B of SFCs Act, R/W Rule 9
of Company Court Rules)

Let all the parties concerned attend the Judge
sitting in the Court/Chambers on on the
hearing of an Application filed by the Applicant
above named for an order to

permit the Applicant Corporation to remain
outside liquidation proceedings to pursue
the statutory remedies conferred upon it
under Sections 29 and 31, and

to pass such further and other order or orders as may be
found expedient in the circumstances of the case.

Dated this the 14th day of June 2000

For A.P. State Financial Corporation,

[Signature]
Branch Manager,
(APPLICANT)

(REGISTRAR)

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(in Liquidation) rep. by Official .. Respondent
Liquidator, High Court of A.P., Hyderabad

AFFIDAVIT:

I, V. Ramachander, son of late Sri V.R. Babu,
Senior Branch Manager, A.P.State Financial Corporation,
Ranga Reddy Branch (East), Residing at Hyderabad, do
hereby solemnly and sincerely affirm and state on oath
as follows:-

1. I am the Senior Branch Manager of A.P.State
Financial Corporation, Ranga Reddy Branch (East),
Hyderabad and I am well acquainted with the facts of
the case.

2. I state and submit that this Applicant Corporation
has sanctioned a Term Loan of Rs.30.00 lakhs to the
Company in liquidation on 29-06-1981 to enable the
Company in liquidation to acquire land and buildings,

For A.P. State Financial Corporation,

1st page :

Corr. :

Attestor:

[Signature]
Branch Manager Deponent

[Signature]
Section Officer (O.S.) and
Commissioner for O.S.
High Court of A.P. Hyderabad

"Equitable mortgage first charge on the Land and Buildings situated at Plot No.8, Industrial Estate, Nacharam, R.R.District, together with hypothecation of Plant and Machinery and all future acquisitions of fixed assets ranking pari passu incharge with Term Loan of Rs.70.00 lakhs from IRBI and Rs.4.50 lakhs, Rs.154.78 lakhs from APIDC and UBI respectively".

This Applicant Corporation sent the original title deeds to the IRBI and IRBI as lead Institution on behalf of other financial institutions, viz., IRBI, SFC, APIDC, UBI entered Memorandum of Pari Passu arrangement dated 21-07-1998 among themselves specifying their rights and obligations and sharing securities in the event of sale etc. The Unit availed Rs.24.00 lakhs out of additional Term Loan. In spite of the efforts made by the financial Institutions, the Unit could not implement the Rehabilitation Scheme sanctioned by B.I.F.R., as per the time schedule and also defaulted in repayment of loan availed from the Corporation.

3. The B.I.F.R., after exploring alternative measures to revive the unit had come to the understanding on 06-12-1995 that the Rehabilitation Scheme sanctioned by it on 05.11.1990 was ~~fix~~ failed.

4. I state and submit that as per P.P. arrangement dated 21-07-1992 the Corporation and other financial institutions have agreed to consider the liabilities of UBI

3rd page : *for A.P. State Financial Corporation,*

Corr. :

Branch Manager
Deponent

Attestor:

B. S. D. S.
Section Officer (O.S.) and
Commissioner for Oaths,
High Court of A.P. Hyderabad

alleging that this Applicant Corporation is trying to dispose of the properties at a low price and that to a person put up by the Promoter of the Company in liquidation, as the purchasers. This Hon'ble Court directed notice for admission directing the Corporation not to finalise the sale, if not already finalised and the UBI got the interim stay. The ~~respondent~~ Applicant Corporation has addressed letters to the United Bank of India requesting them to withdraw the Writ Petition and participate in the auction proceedings conducted by this Applicant Corporation. But the U.B.I., has not ^{come forward} to this Applicant Corporation's proposal. *Ranil W*

7. I further state and submit that this Applicant Corporation is entitled to remain outside Liquidation Proceedings pursuant to its statutory remedies conferred upon it after passing up of winding up orders by this Hon'ble Court for seeking realisation of its dues, by exercising the statutory powers conferred upon it. I respectfully state and submit that this Applicant Corporation cannot be mulcted with any liability to provide funds to the Official Liquidator.

8. I further state and submit that the facts narrated above have been duly mentioned in the counter affidavit filed in R.C.C. 5/98, upon receiving the notice to show cause as to why the Company should not be wound up, received by this Applicant Corporation.

Ranil W
for A.P. State Financial Corporation,

5th page :

Corr. :

Attestor:

Ranil W
Branch Manager, Deponent

[Signature]
Section Officer (O.S.) and
Commissioner for Oaths,
Court of A.P. Hyderabad

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Dated this the 14th day of June 2001
for A.P. State Financial Corporation,

[Signature]
Branch Manager,
(APPLICANT)

[Signature]
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