HON'BLE SRI JUSTICE S.V. BHATT

COMPANY APPLICATION No.129 of 2016
IN
COMPANY PETITION No.20 of 1990

ORDER:

The application is filed under Section 481 of the Companies Act, 1956 (for short 'the Act'') r/w Rules 281, 282 and 9 of the Companies (Court) Rules, 1959, for dissolution of the company.

2. The prayer in the applications reads as follows:

i) form an opinion that the liquidator cannot proceed with the winding up and that it is just and reasonable in the circumstances of the case to order for the dissolution of the company.

ii) dispense with the filing of the Half Yearly Accounts for the period from 01-10-2015 till date.

iii) dispense with the filing of the Final accounts of the company since no realizations have been made in the company in liquidation.

iv) order that M/s.Chandra Pharmaceuticals Ltd., be dissolved with effect from the date of the order.

v) permit the official Liquidator dispose of/destroy the books of accounts and records of the company any day after expiry of 5(five) years from the date of order of the dissolution of the company.

vi) permit the Official Liquidator to meet the costs of this application from out of the Estate & Establishment Account since the company has no funds to its credit."

3. The Official Liquidator filed affidavit in support of the prayer for dissolution and gist of the averments set out in the affidavit is as follows:

On 26.11.1991 in C.P.No.20 of 1990, the company in liquidation was ordered to be wound up. The A.P.State Financial Corporation filed Company Application No.628 of 2000 under Section 446 of the Act for permission of the Company Court to approve the sale of secured assets in favour of M/s.Panchasheel Organics Limited. On 22.01.2001, the application was allowed. The Ex-Directors of the Company in liquidation have filed the statement of affairs as shown in Annexure-C, in which an amount of Rs.45,000/- has been shown as payable to the employees. The company in liquidation right from the beginning does not have funds. It is stated by Official Liquidator that invitation for claims was not made. The half yearly accounts as required under Section 462 of the Act was filed upto 30.09.2015. That after 30.09.2015 no transaction has taken place. In these circumstances the Official Liquidator avers that in his considered opinion, firstly, there is no asset, secondly, there is no cash balance and thirdly there is no claim for adjudication received by the office of Official Liquidator. Having regard to the fact that only Rs.16/- cash balance is available to the credit of company in liquidation, he requests the Court to consider ordering dissolution of the company in liquidation and other ancillary prayers made in the application.

4. Section 481 of the Act reads as follows:

"481. Dissolution of company:

(1) When the affairs of a company have been completely wound up [1] or when the Court is of the opinion that the

liquidator cannot proceed with the winding up of a company for want of funds and assets or for any other reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the company should be made], the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) A copy of the order shall, within [2] thirty] days from the date thereof, be forwarded by the liquidator the Registrar who shall make in his books a minute of the dissolution of the company.
(3) If the liquidator makes default in forwarding a copy as aforesaid. he shall be punishable with fine which may extend to fifty rupees for every day during which the default continues. Enforcement of and appeal from orders."

5. The requirement of law is if in the opinion of company Court the liquidator cannot proceed with the winding up of a Company for want of funds and assets or for any other reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the Company should be made and on being satisfied that one of other circumstances stated in Section 481 of the Act, the Company Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

6. Examining the case on hand, it is noted that the Official Liquidator has not taken possession of any assets of the company in liquidation. Hardly any claims or affairs have been conducted from the date of winding up order till date. The audited accounts of the company are filed for the period ending 30.09.2015 showing that as on date there is a cash balance of Rs.16/- and thereafter no transaction has taken place, I am of the view that continuation of winding up proceedings is unnecessary and the company in liquidation shall be directed to be dissolved through this order. The Official Liquidator is directed to credit Rs.16/- available to the credit of company in liquidation to the Estate and Establishment Charges Fund Account.

7. Accordingly, this application is ordered and Company Petition is closed.

S.V. BHATT, J

Date: 24.02.2016
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