THE HON'BLE SRI JUSTICE M.S.RAMACHANDRA RAO

COMPANY APPLICATION No.701 of 2017

O R D E R:

This application is filed by the Official Liquidator seeking the following reliefs:

> "Take the enclosed Report under Section 497(6) on record and pass appropriate orders as to the dissolution of the M/s. Bhagyanagar Finance & Leasing Limited.
>
> Permit the Official Liquidator to meet the cost of the Court fee and Advocate fee on this application out of the Estate and Establishment Fund, subject to the reimbursement of the same by the Liquidator"

2. M/s. Bhagyanagar Finance & Leasing Limited is a Company incorporated under the Companies Act, 1956 on 25.05.1989 to carry on business of merchant banking in all its respects. As per the balance sheet of the Company, as on 31.10.2005, the shareholders' funds amounts to Rs.26,00,000/- comprising of Share Capital & Reserves, and Surplus of Rs.10,58,126/-. There were no secured and unsecured creditors as on that date. The Company had cash and bank balances to the tune of Rs.42,49,612/- including cash at State Bank of Hyderabad in Current Account of Rs.42,35,792/- and cash in hand of Rs.13,820/-.

3. As per the said balance sheet, liquidation expenses were shown as Rs.50,000/- and provision for income tax is at Rs.5,46,486/-. Copy of the said balance sheet is filed as

Annexure-A to the report of the Liquidator.

4. The members of the Company in an Extraordinary General Meeting held on 08.12.2005 passed a Special Resolution pursuant to Section 488 of the Companies Act, 1956 resolving that the company be wound up voluntarily and appointed Mr.A.Ravi Shankar and Mr.K.V.S.Subramanyam as Liquidators of the Company pursuant to Section 490 of the Act for the purpose of winding up of the Company. Declaration of Solvency was enclosed to the report of the Official Liquidator.

5. The Liquidator of the Company concluded the winding up proceedings and submitted a statement of accounts of the winding up in Form No.156 to the Official Liquidator pursuant to Section 497 of the Act read with Rule 329 of the Companies (Court) Rules, 1959 indicating that the affairs of the Company were wound up on 30.03.2017.

6. After perusing the report submitted by the Liquidator, the Official Liquidator submitted a letter on 07.04.2017 to ascertain as to whether or not the affairs of the Company were conducted in a manner prejudicial to the interest of its members, creditors or to the public interest.

7. The Liquidator replied to the same on 13.04.2017 and 24.04.2017 stating that public notice was given in Financial Express, English Daily News Paper stating that the company has lost the file containing documents such as news paper

advertisement copies, official gazette documents, minutes books and other documents as required under the Act and winding up documents of the company. Copy of the public notice is enclosed as Annexure-D to the report of the Official Liquidator. Copy of the police complaint given with the L.B.Nagar Police Station on 20.04.2017 furnished in the Office of the Official Liquidator is enclosed as Annexure E to the report.

8. After perusing the material available, the Official Liquidator opined that (a) the current assets amounting to Rs.42,49,612/-, cash in hand of Rs.13,820/- and other current asset of Rs.5,000/- and provisions of Rs.5,96,486/- as per balance sheet as on 31.10.2005 has been realized by the Liquidator; (b) As per the list of amounts paid or payable to Contributories, Liquidator has returned to the Contributories Rs.35,85,991/- on 02.01.2006 and 27.04.2006. The list of such payments is annexed to the report.

9. It is stated by the Official Liquidator that the Liquidator had obtained letter dt.06.04.2006 from Assistant Commissioner of Income Tax that no dues are payable by the Company. This letter and Minutes of the Final Meeting held on 30.03.2017 are annexed as Annexure-G & Annexure-H to the report of the Official Liquidator. It is stated that after convening the final meeting of the members and Dissolution of Company on 30.03.2017, the Liquidator filed report in Form Nos.156 and 157 on 04.04.2017 with the Registrar of Companies, Telangana and

Andhra Pradesh and Official Liquidator, Hyderabad.

10. The Official Liquidator having come to the conclusion that the affairs of the Company in Liquidation were not conducted in a manner prejudicial to the interest of its members, creditors and public interest, filed the instant application.

11. Accordingly, this application is allowed; that the affidavit of the Official Liquidator enclosing his report is taken on record; the report under Section 497(6) is also taken on record and Company in Liquidation is declared as dissolved. The Official Liquidator is also permitted to meet the costs of Court fee and Advocate Fee of this application out of the Estate and Establishment fund, subject to reimbursement of the same by the Liquidator.

M.S.RAMACHANDRA RAO, J

17th August, 2017.

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