

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

R.C.C. No. 9 of 2001

ORDER:

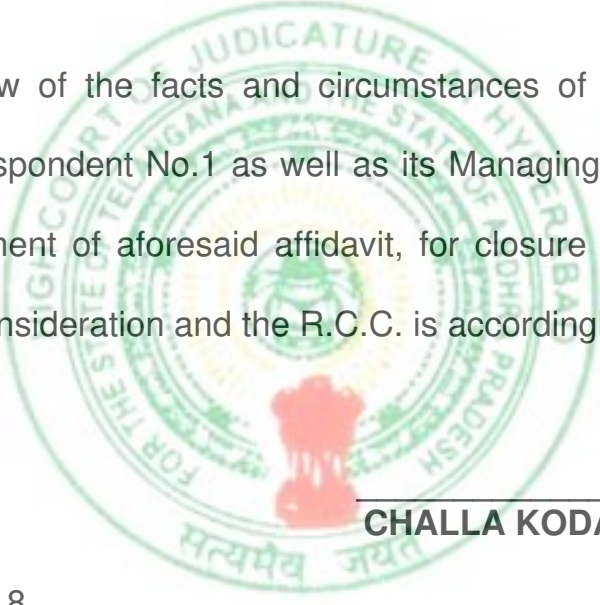
Respondent No.1 Company engaged in cotton business and on account of its erosion of complete net worth, it had become sick company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (for short 'the Act'). Thereby, proceedings were initiated under Section 15 of the Act before the Board of Industrial Financial Reconstruction (BIFR), which, in turn, passed order, dated 29.06.2001, for winding up of respondent No.1 as it is not possible for its net worth to be made positive. Thus, the R.C.C. is listed before this Court.

On 22.03.2018, Sri V.S.Raju, learned counsel for respondent No.1 submitted that certain developments have taken place pursuant to the referring of the present case. Accordingly, the Managing Director of respondent No.1 filed an affidavit stating that as against the order, dated 29.06.2001, passed by BIFR, respondent No.1 filed Appeal No.233 of 2000 and the Appellate Authority for Industrial and Financial Reconstruction dismissed the same vide order, dated 25.09.2001, against which, respondent No.1 filed W.P.No.21622 of 2001 before this Court and during the pendency of the same, the secured creditors of respondent No.1 had invoked the provisions of the Securitisation and Reconstruction of Financial Assets and [Enforcement of Security Interest Act](#), 2002 and discharged its outstanding

liabilities by sale of its secured assets and that as on date, respondent No.1 has no assets and liabilities and a sum of Rs.9,28,160/- was advanced by the deponent to respondent No.1 as an unsecured loan and that there are no dues payable to the workers. In the circumstances, the deponent prays for closing the R.C.C., leaving it open to the promoters to take steps either to revive respondent No.1 or to seek voluntary winding up of it in terms of the provisions of the Companies Act.

Learned counsel for respondent No.1 reiterated the above.

In view of the facts and circumstances of the case, the prayer of respondent No.1 as well as its Managing Director, who is the deponent of aforesaid affidavit, for closure of this R.C.C, deserves consideration and the R.C.C. is accordingly closed.



CHALLA KODANDA RAM, J

Dt:20.11.2018

kdl

