

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 22.03.2019

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

Comp.Application No. 552 of 2018
and C.P.No.23 of 1958

The Official Liquidator,
High Court, Madras
as the Liquidator of M/s.Sri Murugan Oil Industries
Private Limited

.. Applicant

This application is preferred, under Section 481 of the Companies Act, 1956 Read with Rules 9,11(b) of the Companies (Court) Rules, 1959, prays

- a) To take this report on record of the Hon'ble Court.
- b) To permit the Official Liquidator to file the final account without auditing as there will be no transactions in the affairs of the company in liquidation.
- c) To permit the Official Liquidator to transfer the balance amount lying in the credit of the company in liquidation after meeting all incidental expenses of the winding up process including the present application to the undistributed assets of the company in liquidation account as envisaged u/s. 555 of the Companies Act, 1956.
- d) To form an opinion that the Official Liquidator could not proceed further and it is just and reasonable in the circumstances of the case to order for the dissolution of the company u/s.481 of the Companies Act, 1956 and
- e) To pass any such other orders that the Hon'ble Court deem fit

and proper in the circumstances of the case.

For Applicant : Mr.Bavishetty Sridhar, Deputy
Official Liquidator

ORDER

Company Application No.552 of 2018 is for dissolution under Section 481 of 'The Companies Act, 1956' (hereafter 'said Act' for brevity) and the Company under liquidation is 'Sri Murugan Oil Industries Pvt Limited' (hereinafter 'said Company' for brevity).

2. Read this in conjunction with and in continuation of earlier order of this Court dated 15.03.2019. Learned Deputy Official Liquidator Mr.Bavishetty Sridhar representing the Official Liquidator attached to this Court ('OL' for brevity) adverting to earlier proceedings dated 15.03.2019 submitted that no applications are pending. Learned Deputy OL submitted that files have been verified and no applications are pending.

3. On the aforesaid basis, learned Deputy OL requests this Court to consider the instant application under Section 481 of the said Act *inter alia* for dissolution of said Company finally and consequential, incidental and collateral orders that have also been sought.

4. Along with this application, 'report of OL dated 05.09.2018'

<http://www.judis.nic.in>(hereinafter 'said report' for brevity) has been annexed. A perusal of said

report of the OL reveals that OL was appointed as Provisional Liquidator for said company vide orders dated 16.09.1959 made in C.P.No.23 of 1958 by this Court, *inter alia* with a direction to take charge of the assets and effects of the company. Thereafter, the trajectory which the liquidation proceedings qua said company took have been adumbrated and articulated in paragraph Nos. 3 to 7 of said report of OL, which read as follows:

3. It is submitted that the Official Liquidator has taken possession of the assets of the company in liquidation situated at Vadival Nagar, Karur. It is submitted that the company has purchased the land of 3 acres 92 cents in Karur from one Mr.M.K.Muthusamy Gounder by passing a resolution on 07.06.1948 and the possession of the land was given to the company. The Official Liquidator has sold all the assets including the landed property of the company in liquidation.

4.The Ex-Directors of the company in liquidation have filed a defective Statement of Affairs. The Hon'ble High Court vide its order dated 24.11.1956 appointed an auditor and he prepared and filed the balance sheets and Profit & Loss account for the period ending 03.12.1958 before the Hon'ble High Court, Madras. The Official Liquidator has filed a Misfeasance application in CA.No.315/1969 u/s.542 & 543 and the same was disposed by this Hon'ble Court.

5. It is submitted that as on date, the fund position of the company in liquidation is as follows:

- (a) Cash in Hand : Nil*
- (b) Cash in Bank : Rs.70179.72*
- (c) Investment : Rs.6,50,000/-*

Due to non-availability of sufficient funds in the company's

account the Official Liquidator has not called for claims from the creditors of the company in liquidation and no application u/s 446 of Companies Act, 1956 is pending for disposal before the Hon'ble Court as on date.

6. It is submitted that the funds available in the company's account is only Rs.7 lakhs and over 58 years have passed since the date of winding up order and claims were not called for till date, it is respectfully submitted that no fruitful purpose would be served by allowing this company to continue to its existence, rather it would be more appropriate to dissolve the company and deposit the said amount in the Undistributed Assets Account under section 555(1) of the Companies Act, 1956 after meeting the incidental expenses of dissolution including the present application.

7. It is submitted the Official Liquidator is to be permitted to file final account without audit as there will be no further transactions in the account of the company in liquidation. The final account is attached herewith and marked as "Annexure A".

5. Apart from the aforesaid trajectory of the liquidation qua said company, final accounts statement has also been annexed to said report. A perusal of the final accounts statement annexed to said report reveals that there has been realisation to the tune of Rs. 12,57,009.79/- or in other words, little over Rs.12.57 lakhs. Disbursements are to the tune of Rs.5,36,830.07/-. In other words, disbursements are little over Rs.5.36

lakhs. The balance is Rs.7,20,179.72/-.

6. It is also submitted by learned Deputy OL Mr.Bavishetty Sridhar, who is before this Court that no assets are now available and no payment remains to be made from the funds. Therefore, it would be viable to have the dissolution prayer acceded to, is his further say.

7. It has also been averred in the said report that OL will transfer the aforesaid available balance of Rs.7,20,179.72 to the Public Account of India in the Reserve Bank of India as per Section 555 of said Act. The prayer in the aforesaid application reads as follows:

- a) To take this report on record of the Hon'ble Court.
- b) To permit the Official Liquidator to file the final account without auditing as there will be no transactions in the affairs of the company in liquidation.
- c) To permit the Official Liquidator to transfer the balance amount lying in the credit of the company in liquidation after meeting all incidental expenses of the winding up process including the present application to the undistributed assets of the company in liquidation account as envisaged u/s. 555 of the Companies Act, 1956.

d) To from an opinion that the Official Liquidator could not proceed further and it is just and reasonable in the circumstances of the case to order for the dissolution of the company u/s.481 of the Companies Act, 1956 and

e) To pass any such other orders that the Hon'ble Court deem fit and proper in the circumstances of the case.

8. In the light of the narrative supra this Court is convinced that no useful purpose would be served by continuing the liquidation proceedings and keeping this company petition which can be described as vintage and may be ancient as it commenced more than 60 years ago leaving one with the impression that it spans across atleast two generations if not more. The aforesaid prayer is acceded to and the application is ordered as prayed for, subject to deposit of balance amount as per Section 555 of the said Act.

Consequently, OL is discharged and the main C.P.No.23 of 1958 will stand closed as the said company is dissolved.

22.03.2019



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M.SUNDAR.J.,

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