IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:28.08.2020

CORAM:

THE HONOURABLE Mr.JUSTICE M.SUNDAR

Company Application No.530 of 2018
in
C.P.No.95 of 1999
&
C.P.No.95 of 1999

The Official Liquidator
High Court, Madras as the Liquidator of
Kranes Kraft and Controls (P) Ltd., ... Applicant

Company Application filed under Section 481 of the Companies Act, read with rules 9, 11(b) of the Company (Court) Rules, 1959 to take this report on record on the file of this Court, to permit the Official Liquidator to file the final accounts without audit as there will be no other expenses to be incurred in the company in liquidation, to call for the case filed under Section 542 and 542 of Companies Act, 1956 and close the same taking into consideration of facts and circumstances of the present application, to form an opinion that the liquidator cannot proceed with the winding up and that it is just and reasonable to make an order to dissolve the company under Section 481 of the Companies Act, 1956 and to permit the Official Liquidator to transfer an amount of Rs.1,00,000/- to infrastructure fund maintained by the Official Liquidator and deposit the remaining unspent amount to the undistributed Assets Account under Section 555(2) of the Companies Act, 1956 after meeting all the incidental expenses related to the winding up proceedings including the present application.

For Applicant : Mr.Bavisetty Sridhar
Deputy Official Liquidator

ORDER

Captioned Company Application has been taken out by the 'Official Liquidator attached to this Court' ('OL' for the sake of brevity) and OL is represented by Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' (hereinafter 'Deputy OL' for brevity) in the web-hearing on a video-conferencing platform today.

2.Mr.Bavisetty Sridhar, learned Deputy OL draws the attention of this Court to a 'report of OL dated 04.09.2018' (herein 'said report' for convenience), which has been filed in support of captioned application. Adverting to said report, learned Deputy OL submits that available funds are very meagre and more than 21 years have rolled by, qua date of winding up order, saying so it was submitted that there is no recovery or payment of dividend that is pending.

3. It is also submitted that OL has taken out an application for

alleged misfeasance *inter alia* under Section 542 and 543 of 'The Companies Act, 1956' (hereinafter 'said Act' for the sake for brevity), the same is unnumbered and in the light of the captioned application for dissolution, the same is not being pressed and withdrawn as not pressed. This is recorded and in any event this has been incorporated as one of the limbs of prayer and the critical four limbs of prayer read as follows:

> *'a) to permit the Official Liquidator to file the final accounts without audit as there will be no other expenses to be incurred in the company in liquidation*
>
> *b) to call for the case filed under Section 542 and 542 of Companies Act, 1956 and close the same taking into consideration of facts and circumstances of the present application;*
>
> *c) to form an opinion that the liquidator cannot proceed with the winding up and that it is just and reasonable to make an order to dissolve the company under Section 481 of the Companies Act, 1956;*
>
> *and*
>
> *d) to permit the Official Liquidator to transfer an amount of Rs.1,00,000/- to infrastructure fund maintained by the Official Liquidator and deposit the remaining unspent amount to the undistributed Assets Account under Section 555(2) of the Companies Act, 1956 after meeting all the incidental expenses related to the winding up proceedings including the present application.*

4. In the light of the narrative thus far, having heard learned Deputy OL, having noticed that the balance after transferring an amount of Rs.1,00,000/- towards Infrastructure Fund would be deposited in appropriate fund in the Reserve Bank of India under Section 555 (2) of said Act, this Court is left with the opinion that it would be just and reasonable in the facts and circumstances of this case to order dissolution of said Company.

5. To be noted, said report inter alia gives the trajectory of the matter and relevant portions in this regard are contained in Paragraphs 4, 8 and 9 of said report which read as follows:

'4.It is submitted that the Official Liquidator filed an application in C.A.No.992 of 2001 for sale of assets of the company in liquidation. The Hon'ble High Court, Madras by an order dated 19.04.2002 has confirmed the sale of movable assets for Rs.18.75 lakhs. The Bank of Baroda is the secured creditor of the company in liquidation and they have valued the factory building. The Bank has moved an application before D.R.T for the recovery of dues from the company in liquidation. M/s.Kocon India (P) Ltd as directed by D.R.T deposited 46.50 lakhs in a no lien account with the bank towards the purchase of Land and Building. The Official Liquidator filed a report in C.A.No.734 of 2007 to issue direction to the Bank of Baroda for remittance of Rs.27,31,000/- to the

Official Liquidator towards the cost of Building as per the valuation report.

'8. It is submitted that as on the date, the fund position of the company in liquidation is Rs.2,20,600/-. Since the available funds are very meager and 21 years have passed from the date of winding up and there will be no pending recovery or payment of dividend. 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.

9. It is submitted that the Office of the Official Liquidator is functioning in its own building and the Official Liquidator is incurring expenditure towards its maintenance. If some amount from the funds of the company is transferred to the infrastructure fund of Official Liquidator, it will be useful for the development of infrastructure.'

6. In the light of narrative thus far, captioned application and Company Petition are ordered in terms of four limbs of prayer extracted and reproduced in paragraph 3 of this order supra.

Said company stands dissolved by this order. Captioned application and main Company Petition ordered as above. There shall be nor order as to costs.

28.08.2020

gpa

M.SUNDAR.J.,

gpa

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C.P.No.95 of 1999 &
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