IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.09.2020

CORAM:

THE HONOURABLE Mr.JUSTICE **M.SUNDAR**

Company Application No.174 of 2020
in
CP.No.35 of 1994
and
CP.No.35 of 1994

The Official Liquidator,
High Court, Madras as
The Liquidator of M/s.Leel Maha Appliances
Private Limited (In Liquidation)

... Applicant

Company Application filed under Section 481 of the Companies Act, 1956 read with rules 9, 11(b) of the Companies (Court) Rules, 1959), praying to 'a) To take this report on record of the Hon'ble Court; b) To pass an order that it is just and reasonable to dissolve M/s.Leel Maha Appliances Private Limited (Under Liquidation) finally and accordingly to pass consequential and appropriate orders; c)To pass an order permitting the Official Liquidator to file the final account without auditing; d) To permit the Official Liquidator to transfer the available amount to undistributed assets as envisaged under Section 555 of the Companies Act, 1956 after meeting all incidental expenses including the present application; 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.Bavisetty Sridhar
Deputy Official Liquidator.

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ORDER

This common order will dispose of captioned application and captioned 'Company Petition' [hereinafter 'CP' for the sake of brevity].

2. One 'Leel Maha Appliances Private Limited' [hereinafter 'said Company' for the sake of brevity and convenience] is the company under liquidation in the captioned main CP.

3. In the web hearing on a video conferencing platform today, Mr.Bavisetty Sridhar, 'Deputy Official Liquidator' [hereinafter 'Deputy OL' for the sake of brevity] representing the 'Official Liquidator attached to this Court' [hereinafter 'OL' for the sake of brevity] is before me.

4. Learned Deputy OL submits that captioned application has been filed *inter alia* under Sections 481 and 555 of 'The Companies Act, 1956' [hereinafter 'said Act' for the sake of brevity].

5. 'A report of OL dated 04.03.2020' [hereinafter 'said report' for the sake of brevity and convenience] has been filed in support of captioned application. A perusal of said report brings to light that vide order dated 27.08.1996 made in captioned CP, OL was appointed as Liquidator qua said Company with a direction to take charge of the assets and effects of said company.

6. The said report also reveals that Indian Bank, Assets Recovery Management Branch had taken possession of the assets of said Company under 'Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002' [hereinafter 'SARFAESI Act' for the sake of brevity] for settlement of their dues. It is also submitted that said company had vacated its Registered Office more than five years prior to the aforesaid order dated 27.08.1996.

7. In the light of the secured creditor having taken possession of assets of said Company under SARFAESI Act, paragraphs 9 and 10 of said report become relevant and the same read as follows:

> *'9) It is submitted that due to non-availability of funds the Official Liquidator is not able to declare any dividend to the creditors of the company in liquidation and the company in liquidation was ordered to be would up in the year 1996 and after expiry of 23 years, no assets are pending to be realised and the Official Liquidator has no other option except filing the present application under Section 481 of the Act for dissolving the company finally. It is also submitted that no fruitful purpose would be served by allowing this Company under liquidation to continue as a company under liquidation.*
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> *10. It is submitted that in view of the above submission, the Hon'ble Court is to form an opinion that the Official Liquidator could*

not proceed with the winding up of the company in liquidation and it would be just and reasonable in circumstances of the case to dissolve the company under liquidation as envisaged under Section 481 of the Act. Hence this application.'

8. Aforementioned paragraphs of said report of OL, which have been extracted and reproduced supra speak for themselves. Captioned CP, which is more than 23 years old on the file of this Company Court, is clearly a vintage matter. Be that as it may, a perusal of Annexure to the said report of OL reveals that balance in the hands of OL is Rs.6,08,496.58/-, but learned Deputy OL submits on instructions that no claims are pending. To be noted, one limb of prayer in captioned application is for transferring this balance (in the hands of OL) into the relevant public account of Reserve Bank of India under Section 555 of said Act, more particularly, sub section (2) of Section 555 to state with specificity. This takes us to prayer in the captioned application, which reads as follows:

'a) To take this report on record of the Hon'ble Court.

b) To pass an order that it is just and reasonable to dissolve M/s.Leel Maha Appliances Private Limited (Under Liquidation) finally and accordingly to pass consequential and appropriate orders;

c) To pass an order permitting the Official Liquidator to file the final account without auditing;

d) To permit the Official Liquidator to transfer the available amount to undistributed assets as envisaged under Section 555 of the Companies Act, 1956 after meeting all incidental expenses including the present application;

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

9. In the light of the narrative thus far, seen in the context of submissions made by learned Deputy OL, this Company Court is left with the considered opinion that it would be just and reasonable in the circumstances of the case on hand to order dissolution of said company.

10. Owing to all that have been set out supra, captioned application and captioned CP are disposed of by acceding to prayer limbs b), c) and d) of captioned application. To be noted all limbs of prayers in captioned application have already been extracted and reproduced supra.

04.09.2020

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M.SUNDAR. J

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