IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:18.09.2020

CORAM:

THE HONOURABLE Mr.JUSTICE M.SUNDAR

Company Application No.201 of 2020
in
C.P.No.44 of 1986
&
C.P.No.44 of 1986

The Official Liquidator
High Court, Madras as the
Liquidator of
M/s. Karthik Rexine (P) Limited
(in liquidation) ... Applicant

Company Application filed under Section 481 of the Companies Act, 1956 to take this report on record on the file of this Hon'ble Court, to permit the Official Liquidator to file the final account without audit as there will be no transactions from the account of the company in liquidation, to form an opinion that the liquidator cannot proceed wit the winding up and that it is just and reasonable to make an order to dissolve M/s.Karthik Rexine Private Limited under Section 481 of the Companies Act, 1956, to permit the Official Liquidator to transfer the balance amount lying in the credit of the company in liquidation after adjusting all the incidental expenses including the present application to the Undistributed Assets Account as envisaged under Section 555 of the Companies Act, 1956 and to pass such other order/s as this Hon'ble Court may deem fit and proper in the circumstances of the case.

For Petitioner : Mr.Bavisetty Sridhar
Deputy Official Liquidator

ORDER

Captioned Company Application i.e., C.A.No.201 of 2020 has been taken out by the 'Official Liquidator attached to this Court' ('OL' for the sake of brevity) with a multi-limbed prayer, which as culled out from the judge's summons, reads as follows:

> *'a) to take this report on record on the file of this Hon'ble Court;*
>
> *b) to permit the Official Liquidator to file the final account without audit as there will be no transactions from the account of the company in liquidation;*
>
> *c) to form an opinion that the liquidator cannot proceed wit the winding up and that it is just and reasonable to make an order to dissolve M/s.Karthik Rexine Private Limited under Section 481 of the Companies Act, 1956;*
>
> *d) to permit the Official Liquidator to transfer the balance amount lying in the credit of the company in liquidation after adjusting all the incidental expenses including the present application to the Undistributed Assets Account as envisaged under Section 555 of the Companies Act, 1956; and*
>
> *e) to pass such other order/s as this Hon'ble Court may deem fit and proper in the circumstances of the case.*

2. To be noted, captioned application has been taken out by OL *inter alia* under Section 481 of 'The Companies Act, 1956' (hereinafter 'said Act' for the sake of brevity) and Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' ('Deputy OL' for the sake of brevity) is before this Company Court in this web-hearing on a video-conferencing platform. Learned Deputy OL draws the attention of this Court to a 'report of OL dated 09.09.2020' (hereinafter 'said report' for the sake of brevity) and submits that said report has been filed in support of captioned application.

3. Learned Deputy OL, in the hearing today, adverting to said report submits that in and by an order made way back on 09.02.1990 in the captioned 'Company Petition' (hereinafter 'main CP' for the sake of brevity), this Company Court ordered winding up of 'Karthik Rexine (P) Limited' (hereinafter 'said Company' for the sake of brevity). It is submitted that vide this order, made three decades ago, this Company Court besides ordering winding up of said Company appointed OL as liquidator of said Company and gave further direction to the OL to take charge of all the assets and effects of said Company.

4. Adverting to said report, it is submitted that the assets, both immovable and movable, of said Company were taken over, sold and a total sum of Rs.41.55 lakhs was realized. With regard to the claims and disbursement of the same, learned Deputy OL submits that the same is set out by way of a tabulation contained in Paragraph 6 of said report, which reads as follows:

'6.It is submitted that the Official Liquidator has received the following claims from various categories of creditors which were also adjudicated as detailed hereunder:

SI.No.	Name of the creditor	Nature of claim	Amount Claimed (in Rs.)	Amount Admitted (in Rs.)	Amount Rejected (in Rs.)	Remarks.
1	Futura Polyesters Limited (Formerly Indian Organic Chemicals Limited)	Ordinary (1)	1,06,934.02	Nil	1,06,934.02	Rejected for Non-submissions of original documentary evidence.
2	Canara Bank	Secured (1)	74,08,513.00	10,49,000	63,59,513.00	Excess amount rejected for Non-submissions of original documentary evidence
3	SIPCOT	Secured (1)	1,19,14,596.86	97,95,526	21,19,070.86	Excess amount claimed towards the head "Others" rejected
	Total	3	1,94,30,043.88	1,08,44,526	85,85,517.88	

5. Thereafter, adverting to annexure, more particularly ANNEXURE-B to said report, learned Deputy OL submits that only a sum of Rs.2,68,829.87 (Rupees Two Lakhs Sixty Eight Thousand Eight Hundred and Twenty Nine and Eighty Seven Paise only) is now in the hands of OL qua said Company. In any event, this Court notices that one limb of the prayer in the captioned application is to permit the OL to transfer this balance also into the appropriate public account in the Reserve Bank of India *inter alia* in accordance with Section 555 (2) of said Act.

6. This Company Court, having heard learned Deputy OL, having perused said report, is left with the considered view that 34 year old main CP has served its purpose and pursuing the same further now would virtually be a penny wise and pound foolish exercise.

7. In the light of the narrative thus far, this Company Court is of the considered opinion that in the facts and circumstances of this case, it would be just and reasonable to order dissolution of said company.

8. Therefore, captioned application and main CP are disposed of by acceding to prayer limbs (b), (c) and (d) in captioned application.

Though obvious it is made clear that said Company will stand dissolved from the date of this order. There shall be no order as to costs.

18.09.2020

gpa

M.SUNDAR.J.,

gpa

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