IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:18.09.2020

CORAM:

THE HONOURABLE Mr.JUSTICE M.SUNDAR

Company Application No.202 of 2020
in
C.P.No.141 of 1994
&
C.P.No.141 of 1994

The Official Liquidator
High Court, Madras as the
Liquidator of
M/s. Sree Akilandeswari Mills Pvt. 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 with the winding up and that it is just and reasonable to make an order to dissolve M/s.Sree Akilandeswari Mills 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.202 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.Sree Akilandeswari Mills 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) *inter alia* with a prayer for dissolution of the Company under liquidation, namely Sree Akilandeswari Mills Private Limited' (hereinafter 'said Company' for the sake of brevity) in captioned CP i.e., C.P.No.141 of 1994 (hereinafter 'main CP' for the sake of convenience and clarity). To be noted, main CP for winding up of said Company is at the instance of a petitioning creditor.

3. On behalf of OL, who has taken out captioned application, 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.

4. Learned Deputy OL, adverting to a 'report of OL dated 09.09.2020' (hereinafter 'said report' for the sake of convenience and clarity) submits that said report has been filed in support of captioned application.

5. Adverting to said report, learned Deputy OL submits that in and by an order dated 28.10.2008, which was made more than 12 years ago in

the main CP, this Company Court ordered winding up of said Company, appointed OL as Liquidator of said Company and gave further direction *inter alia* to take charge of all the assets and effects of said Company.

6. Thereafter, the process of liquidation was set in motion and the same unfurled in accordance with the said Act is learned Deputy OL's say. It is also submitted by learned Deputy OL that the trajectory of the liquidation, as it unfurled, has been captured in Paragraphs 3 to 9 of said report. Be that as it may, the claims and disbursement have been set out in the form of a tabulation in Paragraph 5 of said report, which read as follows:

'5. It is submitted that pursuant to orders passed by this Hon'ble Court in Company Application No.1879 of 2009 dated 19.10.2009 claims were invited from the creditors of the company including workmen in terms of Rule 148 of the Companies (Court) Rules, 1959 by publishing the notices in newspapers. Consequently, this office received claims from the Secured and Ordinary Creditors, and dividend payments were also made. The details are furnished hereunder:

SI.Nos	List of creditors	No. of workmen	Dividend amount paid @	Amount paid
1.	First list of creditors	345	66.25% HHC dated 25/09/2013 inC.A.No.1026/ 2013	12,18,18,371.00

2.	Second Supplementary list	21	50%	65,80,446.00
3.	Third supplementary list	21	14% HHC order dated 02/08/2019 in C.A.No.266/ 2019	9,21,262.00
4.	Third supplementary list	2	64% HHC order dated 02/08/2019 in C.A.No.266/ 2019	2,55,933.00

7. Adverting to annexure to the said report, learned Deputy OL submits that a paltry sum of Rs.36,707.09 (Rupees Thirty Six Thousand Seven Hundred and Seven and Nine paise only) is all that is available in the hands of the OL qua said Company, but in any event, this Court notices that there is one limb of prayer in captioned application to pay this paltry balance also into the appropriate public account in Reserve Bank of India *inter alia* under Section 555(2) of said Act.

8. This Company Court, having heard the learned Deputy OL, having perused said report, is satisfied that pursuing the liquidation process any further would not serve any useful purpose. On the contrary it would be counter productive as it would be a penny wise and pound foolish exercise owing to the paltry balance in the hands of the OL. In other words, this Court, in the light of narrative thus far, is left with the

considered opinion that it would be just and reasonable in the facts and circumstances of this case to pass an order of dissolution qua said Company.

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

10. 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

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M.SUNDAR.J.,

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