IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.01.2021

CORAM:

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

Company Application No.204 of 2020
in
CP.No.141 of 1992
and
CP.No.5 of 1994
AND
CP.No.141 of 1992
&
CP.No.5 of 1994

The Official Liquidator,
High Court, Madras as the
Liquidator of M/s.Pulsar Electronics 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; b) To permit the Official Liquidator to make payment of Rs.29,40,962/- to the above said three secured creditors based on the percentage of disbursement made by the Official Liquidator; c)To dispense with in auditing the final accounts by a firm of Chartered Accountant or local Fund Examiner as this Hon'ble Court may deem fit and proper d) To permit the Official Liquidator to transfer the available amount as envisaged under Section 555 of the Act after meeting all incidental expenses of the winding up process to the undistributed Assets Account including filing the present application; e) To form an opinion that the

Liquidator cannot proceed with the winding up and that it is just and reasonable in the circumstances of the case to order for the dissolution of the company and f) To pass such order/orders of this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Applicant : Mr.Bavisetty Sridhar
Deputy Official Liquidator.

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ORDER

This common order will dispose of captioned application i.e., Company Application No.204 of 2020 as well as 'Company Petition No.141 of 1992' ['senior main CP' for convenience] and 'Company Petition No.5 of 1994' ['junior main CP' for convenience]. In other words, this common order will govern captioned application and two Company Petitions namely senior main CP and junior main CP. 'Pulsar Electronics Limited' [hereinafter 'said Company' for the sake of brevity] is the Company, which is under liquidation in captioned senior main CP and junior main CP.

2. To be noted, senior main CP and junior main CP have been filed by two different creditors qua said company.

3. A report of 'Official Liquidator attached to this Court' [hereinafter 'OL' for the sake of brevity] being 'report dated 19.03.2020' [hereinafter 'said report' for brevity] has been filed in support of captioned application.

4. Captioned Application has been filed with a multi-limbed prayer and this multi-limbed prayer, as culled out from Judge's Summons reads as follows:

> *'a) To take this report on record;*
> *b) To permit the Official Liquidator to make payment of Rs.29,40,962/- to the above said three secured creditors based on the percentage of disbursement made by the Official Liquidator;*
> *c)To dispense with in auditing the final accounts by a firm of Chartered Accountant or local Fund Examiner as this Hon'ble Court may deem fit and proper;*
> *d) To permit the Official Liquidator to transfer the available amount as envisaged under Section 555 of the Act after meeting all incidental expenses of the winding up process to the undistributed Assets Account including filing the present application;*
> *e) To form an opinion that the Liquidator cannot proceed with the winding up and that it is just and reasonable in the circumstances of the case to order for the dissolution of the company and*
> *f) To pass such order/orders of this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.'*

5. Adverting to said report, Mr.Bavisetty Sridhar, learned 'Deputy Official Liquidator' [hereinafter 'Deputy OL' for the sake of brevity] who is before me in this web hearing on a video conferencing platform i.e., virtual Court on behalf of OL, submits that the manner in which, the winding up process in accordance with 'The Companies Act, 1956' [hereinafter 'said Act' for brevity] and 'The Companies (Court) Rules, 1959′ unfurled pursuant to order made by the Company Court in senior and junior main CPs is captured in said report. To be noted, in said report typographical errors have crept in and there are two consecutive paragraphs, which have been numbered as paragraph 11. Therefore, the second paragraph 11 shall now be read as paragraph 12, which means subsequent paragraphs 12 to 14 in the said report, now become paragraphs 13 to 15. Paragraphs 12 to 14 of said report are relevant and the same read as follows:

> *12. It is submitted that the Official Liquidator further submits that after the disbursement of the above amount the funds which would be available with Official Liquidator is Rs.80,000/-, and that there are no further assets to be sold or funds to be realized. Hence, the Official Liquidator is of the opinion that no fruitful purpose would be served by allowing this company to continue its existence rather it would be more appropriate to dissolve the Company, and to*

deposit the remaining amount to the company in liquidation in the Undistributed Assets Account under Section 555(1) of the Companies Act, 1956 after meeting the incidental expenses including statutory dues, such as Govt fee under Rule 291 of Companies (Court) Rules, 1959.

*13. That the Official Liquidator is filing final statement of account as on date as **Annexure-B**, with the prayer to dispense with in auditing the final accounts by a Chartered Accountant firm or Local Fund Examiner as this Hon'ble Court may deem fit and proper.*

14. That in view of the position explained above, the Official Liquidator is of the humble view that this Hon'ble Court may be pleased to form an opinion that the liquidator cannot proceed with the winding up of the company and that it is just and reasonable in the circumstances of the case to order for the dissolution of the company.'

6. Adverting to the multi-limbed prayer in captioned application, learned Deputy OL submits that payment to be made to three secured creditors as sought for in prayer limb (b) shall be made in eight (8) weeks from today i.e., on or before 26.03.2021. The submissions is recorded.

7. This Court notices that senior main CP is of the year 1992 and junior main CP is of the year 1994 and therefore, even if a mean average is

taken and if the starting point is construed as 1993, captioned senior and junior main CPs are more than 2 ½ decades old and they are heading towards completion of three decades in this Court. Therefore, captioned senior and junior main CPs are clearly vintage matters in every sense of the term. Other than complying this prayer limb (b) (which is undertaken to be done within eight (8) weeks from today), nothing remains. In any event, with regard to balance if any (after meeting incidental expenses of winding up process) is also sought to be transferred to appropriate public account in the Reserve Bank of India in accordance with Section 555 of said Act. This prayer is limb (d) in captioned application.

8. This Court, having perused said report, having heard learned Deputy OL, in the light of the narrative thus far, is left with the considered opinion that it would be just and reasonable in the circumstances of this case to order dissolution of said company, which shall be subject to payment as in limb (b) of captioned application being complied within eight (8) weeks from today i.e., on or before 26.03.2021. The further pendency of captioned senior and junior main CPs will be a penny wise pound foolish exercise and therefore,

the said Company i.e., Pulsar Electronics Limited will stand dissolved subject only to payment as per prayer limb (b) in captioned application.

9. Captioned application is ordered by acceding to prayer limbs (c) to (e) and (d) and by recording the submission of learned Deputy OL that payment under prayer limb (b) will be made within eight (8) weeks from today i.e., on or before 26.03.2021. In other words, prayer limb (b) is ordered by recording this submission.

10. Captioned Application No.204 of 2020 and captioned CP.Nos.141 of 1992 and 5 of 1994 disposed of on above terms and obviously, Pulsar Electronics Limited will stand dissolved from the date of this order. There shall be no order as to costs.

29.01.2021

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M.SUNDAR. J

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