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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of decision: 14th May, 2024**

+ **CO.PET. 197/1990**

**RE-IN THE MATTER OF M/S DREAM CITY BUILDERS
P.LTD.**

..... Petitioner

Through: None.

versus

..... Respondent

Through: Ms. Sangeeta Chandra, standing
counsel for OL.

CORAM:

HON'BLE MR. JUSTICE DHARMESH SHARMA

DHARMESH SHARMA, J. (ORAL)

CO.APPL. 485/2024

1. This application has been preferred on behalf of the Official Liquidator under Section 481 of the Companies Act, 1956¹, seeking dissolution of the company (in liquidation) – M/s. Dream City Builders P. Ltd. and praying that the Official Liquidator be discharged as its Liquidator.

2. The said application for dissolution has been moved in the present company petition which was instituted under Sections 433, 434 and 439 of the Act, seeking winding up of the respondent/company (in liquidation) on the ground of non-payment of

¹ The Act



outstanding dues amounting to Rs. 3,69,253.50/- along with applicable interest.

3. Briefly stated, it is borne out from the record that the company (in liquidation) was directed to be wound up *vide* order of this Court dated 25.05.1992 and the Official Liquidator attached with this Court was appointed as its Liquidator, with the direction to take charge of the assets, records and books of accounts of the company.

4. As per the records of the Registrar of Companies, NCT of Delhi and Haryana, Shri. K.K. Bindal and Smt. Veena Bindal were shown to be the Directors of the company (in liquidation). As regards the Ex-Directors, it is stated that they did not furnish proper particulars of the affairs of the company (in liquidation) and consequently, the Official Liquidator filed two OL Reports bearing Nos. 597/2014 and 599/2014. Apart from the aforementioned reports, the Official Liquidator also instituted Crl. O. (CO.) No. 17/1993 against the Ex-Directors, which came to be disposed of *vide* order dated 08.08.2023.

5. As regards the assets of the company (in liquidation), it is stated that the Official Liquidator could not seize any assets of the company as they were found to either be vacated or not belonging to the company (in liquidation). Details of the same have been provided in paragraph (4) of the present application and have been reproduced hereinbelow:

S.NO.	PROPERTY	STATUS
	A-33, East of Kailash, New Delhi (Registered Office)	Possession could not be taken over as the office was vacated by the company in June 1990 i.e. before winding up



		order.
	D/1046, New Friends Colony, New Delhi	The premises were found belonging to both the Ex-directors.
	1372, Kashmiri Gate, Delhi-6 (Branch Office)	Possession could not be taken over as the office was vacated by the company before winding up order.
	C-8, Green Park Ext. New Delhi – 16 (Branch Office)	Possession could not be taken over as the office was vacated by the company before winding up order.
	27412, Delhi Road, Gurgaon (Khasra No. 387511873 measuring 3 Bigha, 3 Biswas and Khasra no.1880 measuring 2 Biswas)	Upon an enquiry conducted it was found that the said property comprising of 2 blocks of 7 storied buildings belonged to M/s. Rohit Raj Potteries – a partnership firm of Sh. K.K. Bindal & Smt. Veena Bindal. However, it was mortgaged by the partnership firm in the capacity of guarantor in favour of erstwhile New Bank of India (merged with PNB in 1993) to secure a loan borrowed by the company. Thereafter, the same was sold under SARFAESI Act, 2002 through Public Auction on s "As is where is Basis" to M/s. Som Hari Infrastructure (P) Ltd. and after the confirmation of sale by DRT.



6. Besides the assets of the company (in liquidation) mentioned hereinabove, it is stated that a land acquisition matter bearing L.A. No. 174/1992 was pending before the Gurgaon District Court which was allowed and an award came to be passed. However, no compensation has been received by the Official Liquidator in this regard.

7. It has been submitted that pursuant to the order dated 05.12.2012, the Official Liquidator invited claims from the creditors and workmen of the company (in liquidation) by way of publication in newspapers. However, no claims were received.

8. At present, it has been submitted that the funds position of the company (in liquidation) as on 05.03.2024 stood at Rs. 1,02,054.17/-. In light of the fact that the Official Liquidator is not seized of any assets from which money can be realised and moreover that no claims have been received from the creditors of the company (in liquidation), no fruitful purpose would be served in keeping these winding up proceedings pending. Further, it appears that the revival application moved on behalf of the Ex-Directors came to be dismissed by this Court *vide* order dated 08.08.2023 and nothing survives in the present matter as such.

9. In view of the prevailing facts and circumstances, it would be expedient to refer to the decision in **Meghal Homes (P) Ltd. v. Shree Niwas Girni K.K. Samiti & Ors.**² whereby the Supreme Court *inter alia* held as under:

² (2007) 7 SCC 753



“When the affairs of the Company have been completely wound up or the court finds that the Official Liquidator cannot proceed with the winding up of the Company for want of funds or for any other reason, the court can make an order dissolving the Company from the date of that order. This puts an end to the winding up process.”

10. It would also be apposite to consider Section 481 of the Companies Act, 1956, which provides for dissolution of a company, the relevant portion of which has been reproduced hereinbelow:

“Section 481. Dissolution of company.

(1) When the affairs of a company have been completely wound up or when the Court is of the opinion that the liquidator cannot proceed with the winding up of a company for want of funds and assets or for any of the reason whatsoever and it is just and reasonable in the circumstances of the case that an order of dissolution of the company should be made, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.”

.....

11. In keeping with the decision of the Supreme Court in *Meghal Homes (supra)* as also the import of Section 481 (1) of the Act, besides the facts and circumstances of the present case, these liquidation proceedings warrant to be brought to an end. Therefore, the present application is allowed. The company (in liquidation) – M/s. Dream City Builders P. Ltd., stands dissolved and the Official Liquidator is hereby discharged as its Liquidator.

12. The Official Liquidator is permitted to transfer the available balance, if any, to the Common Pool Fund and thereafter, to close the books of accounts of the company (in liquidation).

13. A copy of this Judgment be communicated to the Registrar of Companies within 30 days by the Official Liquidator.



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14. Accordingly, the present company petition and pending applications, if any, stand disposed of.

15. The next date of hearing i.e., 23.07.2024 hereby stands cancelled.

DHARMESH SHARMA, J.

MAY 14, 2024

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