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

% **Date of decision: 16th May, 2024**

+ **CO.PET. 72/1997**

**RE-IN THE MATTER OF M/S MORADABAD SYNTEX
LTD** Petitioner

Through:

versus

..... Respondent

Through: Mr. T. Singhdev, SC with Mr.
Tanishq Srivastava, Adv. for
OL.

**CORAM:
HON'BLE MR. JUSTICE DHARMESH SHARMA**

DHARMESH SHARMA, J. (ORAL)

CO.APPL. 518/2024

1. This is an application under Section 481 of the Companies Act, 1956, moved on behalf of the Official Liquidator, seeking dissolution of the company (in liquidation) and praying that the Official Liquidator be discharged as its Liquidator.

2. The above-noted application has been preferred in the present company petition, which was instituted pursuant to reference from the Board for Industrial and Financial Reconstruction, which gave its opinion under Section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, that it is just and equitable that the company – M/s. Moradabad Syntex Ltd., should be wound up.



3. From a perusal of the record, and as stated in the instant application, the company (in liquidation) was ordered to be wound up *vide* order dated 19.07.2012 and the Official Liquidator attached to this Court was appointed as its Liquidator.

4. As per the records maintained by the Registrar of Companies, the following persons are shown as the Directors of the company (in liquidation):

- (i) Sh. Arun Kumar Sarup,
Ram Bagh, Muzaffar Nagar, Uttar Pradesh
- (ii) Sh. Dharambir Singh,
41-Arjun Puri, Muzaffar Nagar, Uttar Pradesh
- (iii) Sh. Sanjay Kumar Garg,
9/180, Mohalla Harnath Pura, Saharanpur, Uttar Pradesh

5. As regards the registered office of the company (in liquidation), situated at L-1, Gali No. 10, House No. 534-A, Near Budh Bazar, Main Road, Sangam Vihar, Delhi, it is stated that it came to the knowledge of the Official Liquidator that the said premises were rented. Subsequent to taking possession, the office was handed over to the landlord in compliance with the order dated 07.02.2022.

6. It is stated that the property of the company (in liquidation) situated at Moradabad was sold by the Secured Creditors of the company for a sum of Rs. 13,02,13,000/-, which fact was recorded in the order dated 19.07.2012. In the said order, the Secured Creditors were directed to deposit a sum of Rs. 3 crores with the Official Liquidator and the balance amount of Rs. 10,02,13,000/- was permitted to be distributed amongst the 4 Secured Creditors on a pro-rata basis. Further, it is stated that apart from the asset sold by the



Secured Creditors, the Official Liquidator was not seized of any other assets of the company (in liquidation).

7. Pursuant to the order dated 09.10.2012, the Official Liquidator invited claims by way of publishing notices in the newspapers namely, 'Hindustan Times' (English) and 'Amar Ujala' (Hindi) on 04.03.2013. Details in respect of the claims received and disbursements made thereof have been shown herein below:

S. No.	Name of the Claimant	Claimed Amount	Claim Admitted	Remarks
1.	Employees Provident Fund Organisation (EPFO), U.P.	Rs. 2,50,78,651/-	Rs. 2,50,78,651/-	The entire amount was paid to the EPFO by way of RTGS on 26.12.2014, pursuant to order dated 25.11.14
2.	Income Tax	Rs. 644.08 lacs	Rs. 644.08 lacs	On a pro-rata basis, an amount of Rs. 60.11 lacs was disbursed against the claim made and admitted.
3.	Electricity Distribution, Division-I, Paschimanchal Vidyut Vitran Nigam Ltd., Moradabad, U.P. (U.P.	Rs. 125.56 lacs	Rs. 125.56 lacs	Pro-rata share of Rs. 11.72 lacs was disbursed.



	Power Corporation)			
4.	Commercial Tax Department Moradabad, U.P. (Sale Tax)	Rs. 130.40 lacs	Rs. 130.40 lacs	A sum of Rs. 12.17 lacs was disbursed on pro-rata basis.
5.	G.K. Enterprises	Rs. 2,64,383/-	No funds remained to settle the claims of unsecured creditors	—
6.	Saraswati Engineering Works	Rs. 32,617.64/-	No funds remained to settle the claims of unsecured creditors	—
7.	G.G. Cones & Tubes	Rs. 2,03,123.25/-	No funds remained to settle the claims of unsecured creditors	—

8. It also appears that an application bearing No. 1004/2014 has been filed on behalf of M/s. P.D. Gupta & Company, seeking a direction to IDBI to refund/release a sum of Rs. 1 crore to the applicant. It is stated that the said application was allowed vide order dated 21.07.2023, against which an appeal was preferred by IDBI and the appeal is currently pending. However, in this regard it is stated that



the transaction between the applicant and IDBI occurred prior to these winding up proceedings and that the company is merely a proforma party in this application, and no relief is sought against the company (in liquidation).

9. At present, it is submitted that the Official Liquidator is not seized of any assets, either movable or immovable, from which any money may be realized. Therefore, no fruitful purpose will be served in protracting these liquidation proceedings.

10. At this juncture, it would be expedient to consider the findings in **Meghal Homes (P) Ltd. v. Shree Niwas Girni K.K. Samiti & Ors.**¹, wherein the Supreme Court held as under:

“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.”

11. It would also be apposite to consider Section 481 of the Companies Act, 1956, which provides for the dissolution of a company, the relevant portion of which reads as under:

“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.”

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¹ (2007) 7 SCC 753



12. Thus, in view of the foregoing discussion, as also the facts and circumstances of the present case, these liquidation proceedings warrant to be brought to an end.

13. Therefore, the present application is allowed. The company (in liquidation) – M/s. Moradabad Syntex Ltd., stands dissolved and the Official Liquidator is hereby discharged as its Liquidator.

14. The Official Liquidator is permitted to close the books of accounts of the company (in liquidation).

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

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

DHARMESH SHARMA, J.

MAY 16, 2024

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