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

\+ **<u>CO.PET. 368/2001</u>**

IN THE MATTER OF M/S
WESTON ELECTRONICS LTD. .....Petitioner
Through:

versus

. .....Respondent
Through: Mr. Jeevesh Mehta, Standing Counsel for Official Liquidator.
Mr. Sangram Patnaik, Ms. Swayam Sidha Patnaik and Mr.Varun Raghvan, Advocates for IDBI Bank.

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

<u>O R D E R</u>

% 07.03.2025

<u>CO.APPL. 108/2025 & CO.APPL. 173/2025</u>

1. The application – CO.APPL. 108/2025 is filed by the Official Liquidator under Section 481 of the Companies Act, 1956 (hereafter **'the Act'**) praying that M/s Weston Electronics Ltd. ('company in liquidation') be dissolved and the Official Liquidator be discharged as its Liquidator.

2. The application – CO.APPL. 173/2025 is filed by the Official Liquidator seeking direction for the transfer of the balance amount from the dividend account of the company in liquidation to the Reserve Bank of India.

3. By order dated 16.04.2002, the Official Liquidator was appointed as the Provisional Liquidator of the company in liquidation, and by order dated 12.11.2003 passed by this Court, the company in liquidation was finally wound up and the

Provisional Liquidator was appointed as the Liquidator of the Company in liquidation. The citations were published in the newspapers i.e. Statesman (English) and Vir Arjun (Hindi) as well as in the Delhi Gazette.

4. The officials from the Office of the Official Liquidator visited the registered office of the Company in liquidation at 43-A, Okhla Industrial Area, New Delhi, on 12.06.2002. However, possession could not be taken as the Company in liquidation being a tenant had already vacated the premises. Subsequently, on 25.07.2002, the officials took possession of the Company's factory at C-501, Bhiwadi Industrial Area, District Alwar, Rajasthan. To safeguard the premises, Keshav Security Services (P) Ltd. was appointed, and three security guards were deployed with effect from 05.04.2003.

5. By order dated 29.11.2007, the said premises were handed over to the auction purchaser, M/s Nav Bharat Casting (P) Ltd., and security expenses for the period from 05.04.2003 to 05.02.2008 were duly settled. Meanwhile, properties situated at 240 and 244, Okhla Industrial Estate, Phase-II, New Delhi – 110020, were disposed of during 1994-95, with the proceeds remitted directly to State Bank of India towards the repayment of a loan availed by the Company in liquidation. Additionally, the properties located at E-169B, Sector-VII, Noida, Uttar Pradesh, and C-33, Sector-56, Noida, Uttar Pradesh, could not be taken into possession as they were not owned by the Company.

6. The Office of the Official Liquidator received claims from Secured Creditors, Preferential Creditors, and Workmen. A meeting was convened, during which the claims of Secured Creditors were scrutinized and admitted. However, Punjab National Bank failed to submit the charge certificate, despite

multiple notifications from the Official Liquidator's office, leading to its claim being treated as unsecured. Further, claims from 29 workmen amounting to ₹1,50,82,403.19/- were received, of which ₹1,24,87,896.35/- were admitted.

7. As of 06.01.2025, the Company's fund position stands at (-) ₹9,106.79/-, indicating that sufficient funds are not available for further proceedings. No additional movable or immovable assets have been seized, nor are there any recoverable assets.

8. It is pointed out that a sum of ₹15,39,267/- is lying surplus in the dividend account of the company in liquidation. It is pointed out that no claims are required to be satisfied.

9. The amount, is, therefore directed to be transferred to the Reserve Bank of India in terms of Section 555 of the Companies Act, 1956.

10. In view thereof, no useful purpose would be served by keeping this matter pending.

11. At this stage, it is relevant to refer to Section 481 of the Companies Act, which provides for the dissolution of a company under such circumstances as are prevailing in the present matter, and the relevant portion of the same is set out below:

> *"**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."*

12. Further, reliance may be placed on the judgment of the Hon'ble Apex Court in the case of ***Meghal Homes (P) Ltd. v. Shree Niwas Girni K.K. Samiti and Ors. : (2007) 7 SCC 753,*** wherein it was 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".

13. In view of the above-mentioned decision of the Hon'ble Apex Court in the case of ***Meghal Homes (P) Ltd Vs Shree Niwas Girni K.K. Samiti and Ors***. (*supra*), as well as keeping in mind the import of Section 481 (1) of the Act and the facts and circumstances of the present case, the liquidation proceedings deserve to be brought to an end.

14. Consequently, M/s Weston Electronics Ltd. is dissolved. The Official Liquidator is permitted to close the books of accounts of the Company in liquidation.

15. A copy of this order be communicated to the Registrar of Companies within a period of thirty days by the Official Liquidator.

16. The applications are disposed of and the Official Liquidator is discharged.

AMIT MAHAJAN, J

MARCH 7, 2025
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