

HIGH COURT OF DELHI

Bench: Justice Dharmesh Sharma

Date of Decision: 23 November 2023

COMPANY PETITION NO. 401 OF 1999

IB & W COMMUNICATION P. LTD.APPELLANT(S)

VERSUS

M/S AMRIT WORLD WIDE LTD.RESPONDENT(S)

Legislation:

Section 481 of the Companies Act, 1956

Sections 542 & 543 of the Companies Act, 1956

Subject: Application for dissolution of M/s. Amrit Worldwide Ltd. under Section 481 of the Companies Act, 1956, due to inability to procure assets for liquidation or realization.

Headnotes:

Dissolution of Company – Section 481 of the Companies Act, 1956 – Application moved by the Official Liquidator for dissolution of M/s Amrit Worldwide Ltd. – Company in liquidation since 17.05.2000 with final winding up order dated 10.08.2004 – No assets procured for liquidation or realization. [Para 1-2]

Application under Sections 542 & 543 of the Companies Act – Aimed at fixing personal liability on Ex-Directors – Dismissed by Court due to demise of Ex-Directors and lack of actionable claims. [Para 3]

Absence of Company Assets – Registered office and other properties not belonging to Company – No funds available to disburse to creditors – Liquidator unable to proceed further. [Para 4]

Legal Provision for Dissolution – Invocation of Section 481 of the Companies Act, 1956 – Circumstances of the case justifying dissolution of the company. [Para 5]

Reference to Supreme Court Principle – Citing Meghal Homes(P) Ltd. v. Shree Niwas Girni K.K. Samiti & Ors. for dissolution of company when winding up process cannot proceed. [Para 6]

Decision – Approval of application for dissolution of M/s Amrit Worldwide Ltd. – Official Liquidator relieved and permitted to close company's books of accounts – Direction to communicate judgment to Registrar of Companies. [Paras 7-9]

Referred Cases:

Meghal Homes(P) Ltd. V. Shree Niwas Girni K.K. Samiti & Ors.(2007) 7 SCC 753

Representing Advocates:

For the Petitioner: Not Given.

For the Respondent: Mr. D. Bhattacharya, Adv., Standing Counsel for Official Liquidator.

J U D G M E N T
CO.APPL. 822/2023

1. The present application has been moved by the Official Liquidator (OL) under Section 481 of the Companies Act, 1956¹, seeking dissolution of the Company (in liquidation), namely, M/s. Amrit Worldwide Ltd. The Official Liquidator was appointed as Provisional Liquidator vide order dated 17.05.2000 and the Company (in liquidation) was finally wound up by this Court vide order dated 10.08.2004.

2. The learned counsel for the Official Liquidator, Mr. D. Bhattacharya, submits that the Official Liquidator has moved this application as ultimately, he proved unable to procure any asset amenable to liquidation or realization. Thus, it is stated by the learned counsel for the Official Liquidator that the matter is ripe for ordering dissolution.

3. The Official Liquidator had filed an application bearing CA No. 1611/2009 under Sections 542 & 543 of the Act, for the purposes of fixing personal liability unto the Ex-Directors. It is submitted by the learned standing counsel that during the pendency of the said application, the two Ex-Directors, namely, Sh. Bhagwan Gupta and Smt. Sushila Gupta had expired. In any event, the said application was heard at length by this Court and was dismissed vide order dated 21.02.2023.

4. As per the record maintained by the Registrar of Companies, the Registered Office of the Company (in liquidation) was situated at C-109/3, Naraina Industrial Area, Phase-I, New Delhi, which property was not found to be belonging to the Company (in liquidation). The other property, located at A-402, 3rd Floor, Mahipalpur, New Delhi was taken on rent and was vacated vide order dated 08.11.2004 in favour of the landlord. The learned counsel for the Official Liquidator submits that there were certain moveable items which were handed over to the Tihar Jail Authorities vide the same order dated 08.11.2004. It is reiterated by the learned standing counsel that the Official Liquidator has no funds to disburse to the creditors of the Company (in liquidation), and hence, the Official Liquidator cannot proceed any further. A request is made to dissolve the Company (in liquidation) and to terminate the present proceedings thereby relieving the Official Liquidator.

¹ The Act

5. At this stage, it would also be relevant to reproduce Section 481 of the Act, which provides for dissolution of a company under such circumstances as are prevailing in the present matter, and the relevant portion of the same 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.”

....

6. The situation squarely applies to the principles laid down by the Supreme Court in **Meghal Homes(P) Ltd. v. Shree Niwas Girni K.K. Samiti & Ors.(2007) 7 SCC 753** at para 31, reproduced as under:

“In other words, when the affairs of the Company had 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.”

7. In view of the foregoing discussion, this Court is of the view that the present application deserves to be allowed. Thus, the Company (in liquidation), namely, M/s Amrit Worldwide Ltd., stands dissolved and the Official Liquidator is hereby relieved.

8. The Official Liquidator is permitted to close the books of accounts of the company.
9. A copy of this Judgment be communicated to the Registrar of Companies within 30 days by the Official Liquidator.

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