IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JAIPUR BENCH JAIPUR

O R D E R
IN
S.B. COMPANY PETITION NO.15/2006
In the matter of M/s. Paam Pharmaceuticals (Delhi) Ltd.

Date of Order : **08.05.2015**

HON'BLE MR. JUSTICE ALOK SHARMA

Ms. Sonal Singh for Official Liquidator.
Mr. Rajendra Salecha, for respondent-Company.

BY THE COURT

The respondent-Company being a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter 'the Act of 1985') approached the Board of Industrial and Financial Reconstruction (hereinafter 'the Board') for its revival and rehabilitation. The Board however on consideration of the matter before it found that the respondent-Company was not positioned and likely to make its net worth positive in the foreseeable point of time and therefore was not capable of being revived and rehabilitated. Consequently, vide order dated 10.02.2004 under Section 20(1) of the Act of 1985, the Board recorded an opinion that it is just and equitable that M/s. Paam Pharmaceuticals (Delhi) Ltd. should be wound up and referred its opinion to the concerned High Court wherein the reference has been registered in this Court as Company Petition No.11115/2006. Under the said order the BIFR recorded as under:

> "The promoters were not serious in rehabilitating the company nor were they

> resourceful enough to mobilize the funds required for this purpose. As such there was no rehabilitation proposal with means of finance fully died up for consideration of the Board despite amply opportunities having been given to all concerned. Under the circumstances, the Bench confirmed its prima facie opinion that the sick industrial company M/s. Paam Pharmaceuticals (Delhi) Limited was not likely to make its net worth exceed its accumulated losses within a reasonable time while meeting all its financial obligations and that the company as a result thereof was not likely to become viable in future and hence it was just, equitable and in public interest that its should be wound up u/s 20(1) of the Act."

The Bench further directed in exercise of powers conferred as it under Section 22 of the Act that company shall not dispose of, except with the consent of the Board, any of its assets during the period beginning with the recording of opinion by the board for winding up of the company under sub-section (1) of Section 20 and upto commencement of the proceeding relating to the winding up before the concerned High Court.

It has been submitted that the matter has been pending before this Court for the last 9 years without any good ground for the respondent company not being wound up. It has been submitted that in the meantime the assets of the respondent company have been totally stripped and even the doors and windows of the factory are missing consequent to which the premises are an invitation to the unsocial elements to habitate the place at night and carry out "all types" of nefarious activities.

On the matter coming up before this Court today, Mr.

Rajendra Salecha, counsel for the respondent-company submits that the Directors of the respondent Company were not interested in reviving the respondent-Company and the Court may pass order of winding up as recommended by BIFR.

Perused the order dated 10.02.2004, passed by the Board. Considered. Heard counsel.

In the facts obtaining in this petition, it is apparent that there is nothing on record for disagreement with the factual conclusions of the Board and its opinion based thereon that the respondent-Company was not positioned to make its net worth exceed its accumulated losses within a reasonable time. And the conclusions of the Board have not been objected to.

In the circumstances thus obtaining, I am of the considered view that the respondent-Company is not in a position to meet its financial obligation or is likely to become viable in the foreseeable future making its net worth exceed the accumulated loss (as held by the Board) and therefore it is just, equitable and in public interest that the respondent-Company be wound up.

Consequently, the respondent-Company M/s. Paam Pharmaceuticals (Delhi) Ltd. stands wound up under the Act of 1956 and the Official Liquidator attached to this Court is appointed as the Official Liquidator of the respondent-Company under Section 448 of the Act of 1956. The Official Liquidator may now further take appropriate steps as provided for in law under Section 457(1) of the Act of 1956. He is directed to publish notice of this winding up order in two daily newspapers, one in vernacular and the other English i.e. Rajasthan Patrika, Jaipur Edition and Times of India, New Delhi Edition respectively. Since the respondent-Company has been wound up by this order as earlier held, the Official Liquidator to proceed and take active steps for compliance with Section 457(1) of the Act of 1956 and do all acts where needed, as required and permitted in law. The Ex-directors of the respondent Company are directed to furnish the statement of affairs in terms of Section 454 of the Act of 1956 within twenty days from today. The Official Liquidator shall immediately take steps to take possession of the immovable and movable assets of the company in liquidation and make necessary security arrangements of the property situated at A-904, RIICO Industrial Area, Phase-III, Bhiwadi, District Alwar of the respondent-Company. The costs of publication and security arrangements shall be paid from the funds of Common Pool of the Companies in liquidation subject to the condition that the amount be refunded on realization of assets of the Company in liquidation. All papers relating to this petition and a copy of this order be supplied to the Official Liquidator.

This order also disposes of the misc. application No.16286/2014 made under Rule 9 of the Companies (Court) Rules, 1959.

(ALOK SHARMA), J

MS/-

All corrections made in the judgment/order have been incorporated in the judgment/order being emailed.- **Manoj Solanki,** P.A.