IN THE HIGH COURT AT CALCUTTA
ORIGINAL JURISDICTION
ORIGINAL SIDE

Present:

The Hon'ble Justice Ananya Bandyopadhyay

CP/91/1986
IA NO: CA/1/1991(Old No:CA/241/1991), CA/2/1996(Old No:CA/564/1996), CA/3/1997(Old No:CA/64/1997), CA/4/2026, CA/5/2026, CA/6/2026

BENGAL LINN (INDUSTRIAL FINANCE) LTD. (IN LIQDN.)
VS
OFFICIAL LIQUIDATOR

For the Official Liquidator : Ms. Tanushree Dasgupta

Judgment on : 14.08.2026

Ananya Bandyopadhyay, J.:-

1. The Official Liquidator, High Court, Calcutta has filed the present Report pursuant to the order dated 30th January, 2025, whereby the Official Liquidator was directed to place before the Court the present status of the arbitration proceedings concerning the company in liquidation.
2. The report sets out the history of the winding-up proceedings, which commenced with the order dated 24th December, 1986 passed in C.P. No. 91 of 1986. The Official Liquidator thereafter took possession of the books, records and the movable and immovable assets of the company lying at its factory-cum-registered office at No. 2, Ghoshpara Road, Badamtala, Palta, 24-Parganas (North).

3. The entire movable and immovable assets were subsequently sold pursuant to the order dated 23rd March, 1989 for a consideration of Rs.21,05,000/- to M/s. Parbati Traders, being the highest bidder. The sale was confirmed by this Court on 26th June, 1989 and possession was delivered to the purchaser on 9th July, 1991. A deed of conveyance in favour of the purchaser was thereafter executed by the Official Liquidator on 31st March, 1999.
4. The claims of the ex-workers of the company amounting to Rs.14,75,229.67 and the claim of the Regional Provident Fund Commissioner, West Bengal, amounting to Rs.13,94,224/- were settled. The claim of the State Bank of India for Rs.37,15,587/- was also settled pursuant to the order dated 11th August, 1995. In terms of the order dated 2nd April, 1996, disbursements were made to the secured creditors, the Regional Provident Fund Commissioner, the ex-workers and the heirs of deceased ex-workers.
5. The report further records that a misfeasance proceeding, being C.A. No.241 of 1991, was instituted against the erstwhile directors and a decree came to be passed therein. The Special Suit No.56 of 1994 also stands disposed of, as appears from the records referred to in the report.
6. The material circumstance which requires attention, however, relates to the arbitration proceedings. Shri Shibadas Banerjee, Senior Advocate, had been appointed as Arbitrator in respect of the disputes between the parties. The minutes dated 13th March, 2013 indicate that the Official Liquidator had been called upon to furnish the valuation report prepared prior to the commencement of liquidation and copies of the conveyances executed by

him. The requisite documents were forwarded by the Official Liquidator by letter dated 17th April, 2013.

7. The present report, however, recorded that despite correspondence addressed to the advocates who had participated in the arbitration proceedings, the Official Liquidator had not been able to ascertain its present status. The letter addressed to Mr. R.C. Banerjee, Advocate, was returned with the postal endorsement "ACNL". The letter addressed to Mr. R.L. Gaggar, Advocate, was received, but no status of the arbitration proceeding had been furnished. A further letter dated 14th February, 2025 was also refused.

8. The aforesaid position calls for some further steps before the question of dissolution is considered.

9. Section 481 of the Companies Act, 1956 contemplates dissolution where the affairs of the company have been completely wound up or where, for the reasons contemplated therein, further winding up cannot proceed and dissolution is considered just and reasonable. Rule 281 of the Companies (Court) Rules, 1959 contemplates the filing of the final account and an application for dissolution upon the affairs of the company having been fully wound up. The Supreme Court in *Meghal Homes (P) Ltd. v. Shree Niwas Girni K.K. Samiti & Ors.*, reported at (2007) 7 SCC 753, has also explained that dissolution brings the winding-up process to an end when the affairs of the company have been completely wound up or the Official Liquidator cannot proceed further for the reasons contemplated by Section 481.

10. In the present case, a substantial part of the liquidation process was completed several years ago. The assets have been sold and possession delivered; the conveyance has been executed; the principal claims have been settled and disbursements made; the misfeasance proceeding has culminated in a decree and the Special Suit referred to in the report has also been disposed of.

11. At the same time, the report discloses a sum of Rs.15,60,322/- presently lying to the credit of the company in liquidation. More importantly, the status and eventual outcome of the arbitration proceedings have not been ascertained. The Court, therefore, is not presently in a position to record that every matter concerning the affairs and property of the company has reached its terminal stage.

12. Accordingly, the present Report is taken on record with the following directions:

13. The Official Liquidator shall make one further endeavour to ascertain the present status of the arbitration proceedings from the records of this Court and from the learned Arbitrator, if the learned Arbitrator is still seized of the matter.

14. The Official Liquidator shall also ascertain, from the records of the arbitration proceedings available, the precise subject matter of the arbitration and whether any claim, counterclaim or liability of the company in liquidation remains outstanding.

15. The Official Liquidator shall place a further report before the Court after making the aforesaid enquiries, together with a statement of the present

fund position and the manner in which the sum of Rs.15,60,322/- is proposed to be dealt with in accordance with law.

16. The concerned advocates, namely Mr. R.C. Banerjee and Mr. R.L. Gaggar, are requested to place before the Official Liquidator, within four weeks from date, the present status of the arbitration proceedings.
17. In the event no information is forthcoming despite the aforesaid steps, the Official Liquidator shall record the steps taken and place the matter before the Court for consideration of the appropriate order under Section 481 of the Companies Act, 1956.
18. The Official Liquidator shall file the further report within six weeks.
19. Next date be fixed on 1.10.2026 for "Further Report of the Official Liquidator".
20. The present Report stands disposed of with the aforesaid directions.
21. A copy of this order be communicated to the concerned advocates as well as the Arbitrator as aforesaid through the office of the Registrar Original Side, High Court at Calcutta and a compliance report to be filed on the next date of hearing.

(Ananya Bandyopadhyay, J.)

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