
Krisp Financiers Pvt. Ltd. Vs Gold Bond Investments and Finance Ltd.

Company Application of 1993 with Company Petition of 1992 connected with Company Application No. 175 of 1992

Court: Calcutta High Court

Date of Decision: March 3, 1993

Acts Referred:

Companies Act, 1956 " Section 394(1)

Citation: (1993) 2 ILR (Cal) 138

Hon'ble Judges: Ajoy Nath Ray, J

Bench: Single Bench

Advocate: S.B. Mukherjee, S.N. Mukherjee and B. Sharma, for the Appellant; Jaiswal, for Official Liquidator, for the Respondent

Final Decision: Allowed

Judgement

Ajoy Nath Ray, J.

This is an application for confirmation of a scheme of taking over with dissolution without winding up of two companies,

viz. Krisp and Gold Bond.

2. The Official Liquidator has filed a report after a Chartered Accounts report was obtained. The said report has stated that a sum of Rs. 98 lakh

being almost the entire share capital of Krisp was invested without earning any interest. The-report has also stated that in regard to Gold Bond a

sum of Rs. 60 lakh approximately was invested earning an interest of Rs. 11 lakh only and that again 40 lakh rupees were paid for purchase of

shares resulting in no income therefrom.

3. Mr. Mukherjee has stated that Krisp advanced 98 lakh rupees for purchase of shares to one company, Tug Investment, and that the purchase

agreement was cancelled and the money was returned.

4. It clearly appears that the moneys of Gold Bond and Krisp were invested and used in, manners which earned practically no interest whatsoever

for about 7 or 8 months. The companies have lived for only about a year.

5. Under the second proviso of Section 394(1) of the Companies Act dissolution without winding up is not to be permitted unless the affairs of the

company to be dissolved have been carried on in a manner which is not prejudicial to the interest of the members or to the public.

6. The members of the companies to be dissolved have unanimously approved the dissolution. There was no demur at the meeting. If shareholders

are happy not to earn any interest upon their investments in the share of capital then it cannot be said that anything has happened which is

prejudicial to their interest. A sane adult individual is the best judge of what his own interests are.

7. Nor do I find anything contrary to public interest i a group of. persons so arrange their affairs as not to cam any interest on their group capital.

The public has nothing to do with a group of bad investors who harm only themselves and not anybody else.

8. Under these circumstances, the application for confirmation is allowed. There will be orders in terms of prayers (a), (b) and (c) of the Summons.

9. All parties to act on a signed copy of this dictated order on the usual undertaking.