What is winding up of the company?

Companies winding up is the process of the termination of the companies.it can be arises when the companies suffer debts or any insolvency. When the emergency situation arrives, the shareholders can declare the winding up of the companies.

This process is distinguished into two terms collectively:

* Voluntary winding up
* Compulsory winding up

Voluntary winding up can be arisen when the shareholders consider it as a bankruptcy or debts.

On the other hand, compulsory winding up can be arisen when the court declared the company is insolvent or not capable of running the business.

Here, I will narrate seven case summaries about company law.

CASE SUMMARY ON AMIN MD.VS. BENGAL SHIPPING LINE LTD 2008 50DLR

FACT OF THE CASE:

The petitioner Md. Amin was a shareholder and owner of the “Bengal shipping line LTD.” Of the company. A massive central dispute appeared between the shareholders and owners of the company which made shut down of the company.

So, the petitioner sued for winding up for the company.

LEGAL ISSUES:

Whether the company should be bound to close on the valid ground due to the latch?

JUDGMENT:

The court found that, on the reasonable ground the company can shut down the business if the shareholders can comply with the terms of the winding up. Although the company is not included in bankrupt.

CASE SUMMARY ON DIRA DOCKYARD ENGINEER’S LTD VS (BSRS) AND OTHERS 1994

FACTS OF THE CASE:

Dira dockyard and engineers ltd borrowed from (BSRS). But they could not able to repay the loan and (BSRS) SUED AGAINST the dira dockyard ltd. This case was proceedings under the “artha rin Ain Adalat” subsequently, the borrowed property was sold in the auctioneer to compensate the loan.

The plaintiff claimed that the process was not followed in a prescribed manner. He challenged against the sued.

LEGAL ISSUES:

Whether the Borrower could challenge the auction sale against the (BSRS)?

LEGAL DECISION:

Once, the decree has been guaranteed on the court, the petitioner cannot be facilitated on the ground. And the case was followed in a prescribed manner.

CASE SUMMARY ON YOUNUS BHUIYAN AND OTHERS VS BASHATI PROPERTY DEVELOPMENT LIMITED 4 BLC 249 1997

FACTS OF THE CASE:

Younus Bhuiyan and others shareholders or creditor filed a petition against the bashati property ltd for winding up. Bashati property ltd took money from Younus Bhuiyan’s company for developing the land. But they were failed to make this.

LEGAL ISSUES:

Whether the defendant is legally bound to give the flat even after making the payment?

JUDGEMENT:

The appellate division held that. When a company is no longer able to carry out its’ primary business purpose, it is just and equitable to order it’s winding up.

CASE SUMMARY ON PRIME FINANCE AND INVESTMENT LTD VS DELWAR H KHAN 2007

FACTS OF THE CASE:

Delwar khan holding 66% shares of the owner of the company gonophone Bangladesh ltd was incorporated in 2000. Proclamation arose that he abused the company’s property and borrowed the loans from different financial institutions and he used the property for his entertainment not the company’s welfare. so, the legal notice was sent to the winding up of that company.

LEGAL ISSUES:

Whether the company should be closed up in a legal way or not?

JUDGEMENT:

The high court division held that, and liquidator was appointed for winding up of the company to distribute the share and surplus among the creditors which was a legal process and mandatory to formulate the challenging issues.

CASE SUMMARY ON CONSUMER TESTING LABORATORIES LTD VS REGISTRAR JOINT STOCK COMPANIES AND FIRMS 16 BLC 244

FACTS OF THE CASE:

Consumer testing laboratories ltd. Was a registered company under the companies act but it had no longer an active company for the long time. But the shareholders again started to continue to its’ business. The registrar of joint stock companies and firms was also involved as the regulatory authority overseeing the maintenance and registration. But due to long time inactivity and complexity the company could not find any solution. They were seeking for court intervention.

LEGAL ISSUES:

Whether the company be able to run its’ business or how the share would be distributed among the creditors?

JUDGEMENT:

The court held that, consumer testing laboratories ltd is directed to handover the assets and properties both movable and immovable property of the shareholders within four weeks from the date of company order.

CASE SUMMARY ON EASTERN BANK LTD VS BENGAL CARPETS LTD 48 DLR 392

FACTS OF THE CASE:

Eastern bank ltd provided credit facilities to the Bengal carpets ltd for business purposes. But they were failed to repay the loan. Even after extending the credit opportunities, they were not able to complete the procedure. So, the eastern bank ltd sued against the Bengal carpet ltd.

LEGAL ISSUES:

Whether the Bengal bank is obligated to fulfill the loan?

JUDGEMENT:

Bengal carpets ltd was insolvent and no longer worthy for running the business and ordered for winding up.

THE END