

DISSOLUTION OF A COMPANY (Legal & Practical Framework)

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Meaning under Companies Act

- Dissolution is governed under Companies Act 2013, Sections 270–303.

Grounds of Dissolution

- • Inability to pay debts
- • Just & equitable grounds
- • Special resolution by members
- • Tribunal order

Steps in Dissolution Process

- 1. Petition to NCLT
- 2. Appointment of Liquidator
- 3. Realisation of Assets
- 4. Settlement of Claims

Role of Official Liquidator

- • Collect assets
- • Pay creditors
- • File reports to Tribunal
- • Ensure compliance with law

Legal Provisions

- Companies Act 2013, Section 270–303 regulate dissolution and liquidation.

Case Laws

- Example: NCLT ordered dissolution of companies for fraudulent practices.

Challenges & Compliance Issues

- • Delay in proceedings
- • Asset realisation issues
- • Stakeholder disputes

Conclusion

- Legal dissolution ensures fair closure of companies while protecting stakeholders.