

**GOVERNMENT OF INDIA  
LAW , JUSTICE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1707  
ANSWERED ON:06.03.2000  
DELAY IN COMPLETION OF LIQUIDATION OR WINDING UP OF COMPANIES  
NITISH SENGUPTA

**Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether undue delay takes place in completion of liquidation or winding up process of the companies;
- (b) if so, the reasons therefor; and
- (c) the steps proposed to be taken to ensure that such proceedings are completed expeditiously?

**Answer**

MINISTER OF LAW, JUSTICE (SHRI RAM JETHMALANI) AND COMPANY AFFAIRS

- (a) & (b): Normally, delay takes place in completion of liquidation or winding up process of the companies due to pending misfeasance proceedings against the ex-directors of companies, pending decree for realisation and the various court cases pending in different District courts and also due to litigations pending regarding the Title Deed of land in the name of the companies (in liquidation). Liquidation or winding up proceedings are conducted by the Official Liquidator under the direction and control of the concerned High Court of the State and the High Court issues directions to Official Liquidator for completion of liquidation or winding up proceedings.
- (c) Recently, the Government has constituted a Committee of Experts to examine the existing law relating to winding up proceedings of the companies to remodel it for expediting winding up proceedings.