

SUBBAYYA
v.
SAMINAD-
AYYAR.

against the decree dismissing the suit—*Bhikaji Ramchandra v. Purshotam*(1).

We must set aside the decrees of the Courts below, and also the order of the District Munsif, and remand the case to the Court of first instance for disposal.

The costs incurred in the Lower Appellate Court and in this Court must be paid by respondent, the other costs must be provided for in the fresh decree.

APPELLATE CIVIL.

Before Mr. Justice Best and Mr. Justice Subramania Ayyar.

1895.
March 25, 27.

RAMACHANDRA RAU AND OTHERS (PLAINTIFFS),

v.

KANDASAMI CHETTI AND OTHERS (DEFENDANTS).*

Companies Act—Act VI of 1882, s. 187—Powers of liquidator after dissolution of company.

Suit on a promissory note of the defendant in favour of a company. The note was payable to the company or order. The company had gone into liquidation and a liquidator had been duly appointed. The plaintiffs had purchased, together with certain other assets of the company, the note sued on, but did not obtain the liquidator's endorsement of the note until after the dissolution of the company was completed :

Held, that the liquidator had no power to endorse the note to the plaintiffs.

CASE stated for the opinion of the High Court under Provincial Small Cause Courts' Act IX of 1887, section 17, by S. Krishna-swami Ayyar, District Munsif of Erode, in small cause suit No. 995 of 1893.

Suit on a promissory note payable to a certain company or order and endorsed to the plaintiffs on the 10th of August 1893 by one Seshayyar. The company being in course of liquidation, certain of its assets, including the note in suit, were sold to the plaintiffs. In January 1892 a general meeting of the shareholders was held under Companies Act VI of 1882, section 186, at which it was, *inter alia*, resolved that Seshayyar be appointed sole liquidator in the place of others who had sent in their resignations,

(1) I.L.R., 10 Bom., 220.

* Referred Cases Nos. 13 to 24 of 1894.

“that after the lapse of three months from the date of the registration of this account of this meeting this company shall be considered as being dissolved, and also that these resolutions be sent to the Joint Stock Companies’ Registrar and be distributed to all the shareholders.”

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After stating the above circumstances the District Munsif continued as follows :—

“Seshayyar, now appointed sole liquidator under resolution No. 2, communicated the above resolutions to the Registrar of the Joint Stock Companies two days after the resolutions were passed. On the 6th February 1892 the resolutions communicated by him were registered by the Registrar, who informed him of the fact. And on the 6th May 1892, three months from the date of the registration, the company was and became dissolved, section 187.

“The winding up of the company and its dissolution having thus been complete, and the duties of the sole liquidator now appointed under section 184 having been fixed by the resolution No IV, had Seshayyar power to do anything more than what had been resolved upon ?”

Ramachandra Rau Saheb, Pattabhirama Ayyar, Kasturiranga Ayyangar and Venkatarama Sarma for plaintiffs.

The Advocate-General (Hon. Mr. *Spring Branson*), *Mahadeva Ayyar* and *Narasimha Chariar* for defendants.

JUDGMENT.—It has been argued on behalf of the plaintiffs that there has been no final and valid dissolution of the nidhi or company, but that is not a point that has been referred for our consideration.

The question referred assumes there was a dissolution and asks whether subsequent to such dissolution Seshayyar had power to endorse the notes.

Our answer to this question must be in the negative, as, with the dissolution of the nidhi, the powers of the liquidator also come to an end.

Cf. In re Pinto Silver Mining Company(1) and *In re London and Caledonian Marine Insurance Company*(2).

(1) Ch. D., 273.

(2) 11 Ch. D., 140.