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Comp.A.No.345 of 2021 in C.P.No.33 of 1985

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C.P.No.33 of 1985

SENTHILKUMAR RAMAMOORTHY, J

This application is filed under Section 481 of the Companies Act, 1956, to dissolve Upper India Bearings and Bushings Limited, the company in liquidation (the Company).

2. In support of this application, the Official Liquidator filed a report dated 07.12.2021. In such report, it is stated that the Company was ordered to be wound up by order dated 05.08.1986. Upon taking charge of the assets and affairs of the Company, it is stated that the Official Liquidator brought the assets of the Company for sale through public auction and realized a sum of Rs.2,32,10,000/-. Thereafter, it is stated that claims were invited from creditors pursuant to the orders of this Court. A total of 174 claims were received. Out of such claims, 137 claims were admitted. All the creditors were paid dividend at 100 paise to a rupee along with interest at 4% p.a. on the admitted amount. In total, it is stated that a sum of Rs.1,83,87,447.20 was disbursed to the creditors of the Company. Pursuant thereto, it is stated that the funds position of the Company as on 30.11.2021 consists of cash, amounts in



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the bank and investments aggregating to a sum of Rs.10,96,460/-. The Official

Liquidator states that 35 years have elapsed since the winding up commenced and that there are no further assets available. It is stated that a sum of Rs.15,83,000/- was claimed as security charges by the State Bank of India to safeguard the assets of the Company. Therefore, the Official Liquidator also seeks permission to make payment to State Bank of India from the available funds after meeting all the incidental expenses of liquidation. The final accounts of the Company along with an auditor's certificate are enclosed.

3. From the facts on record, it is evident that all the creditors, whose claims were admitted, were paid in full including interest at 4% p.a. At present, only a sum of Rs.10,96,460/- is available to the credit of the Company, and there is an outstanding claim towards security charges of Rs.15,83,000/-. Although a meagre amount is said to be payable by the Income Tax Department by way of refund, no purpose would be served by continuing with the winding up merely for such reason. Instead, the Official Liquidator should remit such amount into the Companies Liquidation Account for undistributed assets in terms of Section 555(2) of the Companies Act, 1956 if and when such amount is received. The winding up process has continued for about 35 years. For reasons set out above, it is just and reasonable to dissolve the Company.



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4. For reasons set out above, this application is allowed by issuing the

following directions:-

(i) Upper India Bearing and Bushings Limited (under liquidation) is hereby dissolved.

(ii) The Official Liquidator is permitted to make payment to the State Bank of India towards security charges from and out of the available funds of the Company after meeting the incidental expenses of liquidation, including this application.

(iii) All consequential compliances shall be carried out by the Official Liquidator.

(iv) Subject to compliance with the above directions, the Official Liquidator is discharged as the Liquidator of Upper India Bearings and Bushings Limited and C.P.No.33 of 1985 is closed.

17.12.2021

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

D A T E D : 17.12.2021

C O R A M :

The Hon'ble Mr. Justice **SENTHILKUMAR RAMAMOORTHY**

Comp. A.No.345 of 2021 & C.P.No.33 of 1985

Company Petition No.33 of 1985:

M/s.Gabriel India Limited,
914, Makers Chambers,
Nariman Point,
Bombay-21.

... Petitioner

Vs

M/s.Upper India Bearings &
Bushings Limited

... Respondent

Company Application No.345 of 2021:

The Official Liquidator,
High Court, Madras as the
Liquidator of Upper India Bearings
& Bushings Limited (in liquidation)

... Applicant

PRAYER : This Petition has been filed under Section 481 of the companies Act, 1956 read with rules 9, 11(b) of the Companies (Court) Rules, 1959, seeking the relief as stated therein.

For Petitioners : M/s.Ralph V. Manohar



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