IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

CIVIL APPLICATION NO. 10848 OF 2023
IN CA/2464/2021 IN WP/5690/2004 WITH WP/5690/2004
WITH CIVIL APPLICATION NO. 12751 OF 2023
IN WP/5690/2004

1. The Collector, Hingoli, Dist. Hingoli, Liquidator Marathwada Sahakari Sakhar- Karkhana Ltd. Post Dongarkhada Tq. Kalamnuri Dist. Hingoli

2. The State of Maharashtra through its Principal Secretary Cooperation Department Maharashtra State, Mantralaya Mumbai-23

3. The Commissioner of Sugar, Shivaji Nagar, Pune-5 ... **APPLICANTS**

VERSUS

1. The Maharashtra State Cooperative Bank Ltd. Having at Office Registered Maharashtra Chamber Commerce Lane, Mumbai, through its Chief officer, Shri Baburao Kadam Bapurao

2. Kamgar Bachavkruti Samiti Marathawada S.S.K. Ltd. Tq. Kalamnuri, Dist. Hingoli through its Vice-President Sambhaji S/o Bhimrao Gacche, ... **RESPONDENTS**

...

AGP for Applicant : Mr. V.K. Kotecha
Advocate for Applicant in CA/2664/2021: Mr. G.N. Chincholkar
Advocate for Respondents : Mr. Sachin Dudhane h/f. Mr. V.R. Dhorde

...

CORAM : MANGESH S. PATIL &
S.G. CHAPALGAONKAR, JJ.

DATE : 27.02.2024

PER COURT:

Heard both the sides.

2. The application has been moved by the Collector, Hingoli who was liquidator seeking modification of the order dated 11.01.2023 passed in Civil Application No.2464/2021 in Writ Petition No.5690/2004.

3. The learned AGP for the petitioner-applicant would take us through the petition and the papers. He would submit that since the M.S.C. Bank was a secured creditor and was laying claim over the assets of the Sugar Factory, its claims were being considered simultaneously with the claims of the employees/workers.

4. The learned AGP would submit that pursuant to the settlement arrived at, to which even the M.S.C. Bank was a party, the order under review was passed. There was a direction for disbursal of the money to the workers that was done with the consent of the present applicant. However, in the process, clause No.5 to the Terms of Settlement were ignored, wherein, it was agreed that the expenditure incurred during the liquidation proceeding shall be ascertained after the authorized officer of the M.S.C. Bank and the liquidator together would decide.

5. As can be seen in paragraph No.4 of the order, it was expressly mentioned as to how the applicant - liquidator was consenting for disbursal of the remaining amount to the workers to the tune of more

than Rs.3.73 crores. Since it was being submitted on behalf of the M.S.C. Bank that the sale proceeds were lodged in a joint account of the Bank and the liquidator and since the money was being paid to the workers, there was no reason to keep the joint account open. No issue regarding any liquidation expenses was raised by the liquidator – applicant in spite of fact that paragraph No.5 of the order expressly observed that the expenditure of liquidation proceeding was to be worked out by the authorized officer of the M.S.C. Bank and the liquidator but the latter was not holding any meeting in order to ascertain the expenditure.

6. Apart from the above state of affairs, what is being claimed in the present application, is existence of the claims of the unsecured creditors which are still pending before different fora.

7. Since it is a matter of liquidation of the Sugar Factory and the M.S.C. Bank being the secured creditor, it is only with some benevolent objective in mind that the workers' claims were being considered. Under the guise of taking recourse to clause 5 of the terms of settlement, an attempt is being made to demonstrate that different claims are still pending with the liquidator, of some unsecured creditors.

8. There is no substance in the application. It is rejected.

(S.G. CHAPALGAONKAR, J.) **(MANGESH S. PATIL, J.)**

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