

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
IN ITS INSOLVENCY
OFFICIAL ASSIGNEE'S REPORT NO. 5 OF 2024
IN
INSOLVENCY PETITION NO. 71 OF 2006**

Re :

Anant V. Hegde and another ... Insolvents

Ex-parte :

Neeta H. Panchamatia ... Petitioning Creditor

Mr. Yogesh Bhate instructed by Mr. Anil Bagwe, Advocate for the Insolvents.

Mr. Nirman Sharma alongwith Ms. Chinmayee Ghag instructed by Zastriya, Advocate for Kotak Mahindra Bank.

Ms. C.J. Bhatt, Official Assignee alongwith Mr. Subodh Patil, Deputy Official Assignee, Mr. D.B. Iswalkar, 1st Assistant Official Assignee and Ms. M.R. Parkar, Insolvency Registrar, present.

Mr. Anant Hegde, Insolvent No.1, present.

CORAM : ABHAY AHUJA, J.
DATE : 17 DECEMBER 2024

PC. :

1. This Official Assignee's Report seeks the following directions :

(a) Show Cause Notice may be issued against the Insolvent No.1 viz. Anant V. Hegde, for not complying with the directions given by the Official Assignee and having committed contempt of Courts by executing documents without permission of Official Assignee or Hon'ble Court.

(b) All Deeds / Agreement for sale executed by the Insolvent No.1 viz. Anant V. Hegde being the CEO and Managing Director of Electrex (India) Ltd., in favour of respective buyers/parties in respect of properties situated

at Bangalore, Karnataka State may be declared as null and void.

(c) If prayer 'B' is in negative, then, whatever amount out of above sale transaction credited to the account of M/s. Electrex (India) Ltd., through Insolvent No.1, Insolvent No.1 be directed to deposit the said amount with the Official Assignee through Demand Draft / Pay Order.

2. The learned Official Assignee, who is present in Court, submits that Mr. Anant V. Hegde and Mr. D.V. Sathe, who were adjudicated as insolvents on 20th February 2007 and accordingly, under Section 17 of the Presidency Towns Insolvency Act, 1909, all the estate and effects of the said Insolvents vested in the Official Assignee. That by an order of the Official Assignee dated 14th August 2008, the Insolvent No.1 viz. Anant Hegde, who is present in Court today, was granted permission for doing his job on the post of Chief Executive Officer in one Electrex (India) Ltd. *inter-alia*, subject to the following conditions :

“(i) Directed to pay 10% of his salary every month for benefit of general body of his creditors.

(ii) Directed to lodge xerox copy of Salary Certificate for each and every month.”

3. It is submitted that the public and private examination of the

said Insolvent No.1 is still going on and as per the schedule, the liability of the Insolvent No.1 is Rs.1,76,87,94,948/- and a total of 36 claims have been lodged with the Office of the Official Assignee against the Insolvents, totalling to Rs.77,13,35,795.21/-.

4. The learned Official Assignee has submitted that as per the statement submitted by the Accounts Department, there is a cash balance of Rs.4012.12 ps. and fixed deposit of Rs.2,71,35,564/- lying in the estate account of the said Insolvents.

5. It has been submitted by the Official Assignee that one of the creditors viz., Kotak Mahindra Bank, who is today represented by Mr. Sharma had sent a letter dated 23rd January 2024 to the Office of the Official Assignee alongwith the copies of various Deeds/Agreements executed by the Insolvent No.1, in spite of having been adjudicated as such without the permission of the Insolvency Court or the Official Assignee and that the said Deeds/Agreements have also been registered.

6. It has been submitted that the said Deeds/Agreements are with respect to the mortgaged properties of the Electrex (India) Ltd., which would affect the recovery of public money of the secured creditors. The Official Assignee has accordingly filed this report seeking the directions as above.

7. Mr. Bhate, learned Counsel appearing for the Insolvents would submit that he has gone through the rejoinder filed by the Kotak Mahindra Bank and would need some more time to consider filing a sur-rejoinder.

8. Mr. Sharma, learned Counsel appearing for the Kotak Mahindra Bank vehemently opposes the request and submits that the Kotak Mahindra Bank is a secured creditor and that the properties that have been alienated are the mortgaged assets and that therefore this Court pass directions in terms of prayer clauses (a) to (c) to the Official Assignee's Report.

9. Learned Official Assignee submits that the Insolvent No.1 has not been complying with the conditions imposed in Order dated 14th August 2008 and that therefore, the Official Assignee's Report be allowed as prayed for.

10. Having heard the learned Official Assignee as well as Mr. Sharma, learned Counsel for the Kotak Mahindra Bank and Mr. Bhate, learned Counsel for the Insolvents, I am of the view that considering the seriousness of the allegations, in inquiry sought pursuant to the Official Assignee's Report deserves to be allowed in terms of prayer clauses (a) to (c) as above. In my view, no useful purpose would be served in permitting the Insolvent No.1 to file sur-rejoinder.

11. The show cause notice be made returnable on **18th February 2025.**

12. Further considering the seriousness of the alleged breaches as noted above, the Insolvent No.1 to cease and desist from acting as Chief Executive Officer as permitted by order dated 14th August 2008, until further orders and even the Company viz., Electrex (India) Ltd. is restrained from in any manner whatsoever, dealing with or disposing of any of their assets, movable or immovable, tangible or intangible, until the next date.

13. In the interest of justice, Electrex (India) Ltd. be added as party to these proceedings and this Court also directs the assets of the Company viz., Electrex (India) Ltd. be disclosed by the Insolvent No.1 by the next date by way of an Affidavit.

14. Let the Insolvent No.1 continue to remain present in Court on every date when the matter is listed.

15. Let the Insolvent No.2 also remain present in Court on every date when the matter is listed.

16. The Official Assignee's Report accordingly stands disposed as above.

(ABHAY AHUJA, J.)