IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR
CIAL LIQUIDATOR'S REPORT NO.9/2022 IN COMPANY PETITION NO.7/2021

In the matter of arbitration in M/s. Maharashtra Explosives Ltd.

Office Notes, Office Memoranda of Coram, appearances, Court's orders of directions and Registrar's orders	Court's or Judge's orders

Mr. S. D. Borkuta, Advocate instructed by Mr. S. Deshpande, Advocate for Official Liquidator.
Mr. Deepak Parsoya, Official Liquidator.
Mr. V. P. Marpakwar, Advocate for Claimants.

CORAM : ANIL L. PANSARE, J.
DATE : MARCH 7, 2025

On 28.02.2025, following order was passed.

> *"Learned counsel for claimants submits that retrenchment claim of the employees has been adjudicated by the Official Liquidator. He submits that interest is payable in terms of Rule 156 of the Companies (Court) Rules, 1959. The question, therefore, is whether the interest on retrenchment claim is payable. If yes, why is said claim not included while adjudicating the claims made by the claimants.*
>
> *2. The Official Liquidator shall file report.*
>
> *3. Stand over to 07.03.2025."*

2. As could be seen, question before the Official Liquidator was, whether interest on retrenchment claim is payable.

3. The Official Liquidator has invited my attention to Rule 156 of the Companies (Court) Rules, 1959, which reads thus:

> *"Interest -*
>
> *On any debt or certain sum payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the winding-up order, or the resolution as the case may be, the creditor may prove for interest at a rate not exceeding four per cent per annum up to that date from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made, giving notice that interest will be claimed from the date of demand until the time of payment."*

4. As could be seen, the creditor may prove for interest at a rate not exceeding 4% per annum on any debt or certain sum payable at a certain time and it was overdue at the date of winding up order. The creditor has to prove the interest by demand in writing, giving notice that interest will be claimed from the date of demand until the time of payment. Such is not the case here. The workmen have never demanded in writing the interest by giving notice as stipulated under Rule 156 of the Rules of 1959.

5. The request for payment of interest is accordingly rejected.

6. With the above observations, request of the Official Liquidator to permit him to pay dividends by way of payment of retrenchment compensation to workers/employees of the company in terms of Section 529A of the Companies Act, 1956, is allowed.

7. I am informed that some of the workers have expired. The issue before the Official Liquidator is how to may payment to the legal representatives, who are approaching him.

8. In my view, appropriate remedy will be to accept claim of legal representatives, upon producing Legal Heir Certificate/ Succession Certificate in terms of the provisions of Rule (7) of Chapter I of the Bombay Regulations.

The Official Liquidator's Report is accordingly disposed of.

Civil Application Nos. 06/22, 27/24, 37/24, 38/24,39/24, 40/24, 41/24 & 1397/23

In view of order passed in Official Liquidator's Report No.9/2022 above, purpose of filing these applications is served.

2. The applications stand disposed of.

(Anil L. Pansare, J.)

Kahale