

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/OFFICIAL LIQUIDATOR REPORT NO. 62 of 2025

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OFFICIAL LIQUIDATOR VARIOUS COMPANIES (IN LIQUIDATION)
Versus
NA

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Appearance:
BHOOMI M THAKORE(6237) for the Applicant(s) No. 1

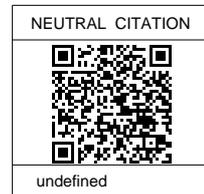
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CORAM:HONOURABLE MRS. JUSTICE MAUNA M. BHATT

Date : 15/10/2025

ORAL ORDER

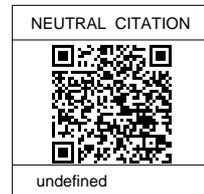
1. The Official Liquidator has filed the present report with following prayers:--
 - (A) “This Hon’ble Court may be pleased to permit the Official Liquidator to set apart and invest the ex-gratia amount proposed herein for each of the twelve (12) Company Paid Staff in separate term deposits from the Common Pool Fund, the details whereof are specified in paragraph (13) above, or such other amount as this Hon’ble Court may deem fit.
 - (B) This Hon’ble Court may further be pleased to direct that the said ex-gratia amount, together with interest accrued thereon, shall be released to the concerned Company Paid Staffs upon superannuation or, in the event of



death, to his / her legal heirs, or at the time of closure of the Office of the Official Liquidator, whichever event occurs first provided that no such payment shall be made to any staff who is under suspension, or in respect of whom any inquiry or disciplinary proceeding for misconduct or corruption is pending or has resulted in a finding of guilt.

(C) Such other and further orders and directions as this Hon'ble Court may consider just and appropriate may also be passed.”

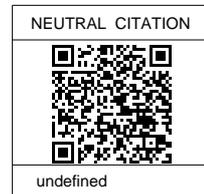
2. Heard Ld. Panel Advocate Ms. Bhoomi Thakore along-with the Official Liquidator, Ms. Thakore, apprised that the Office of the Official Liquidator has two categories of employees. The first category of the employees who are appointed against the post sanctioned by the Government of India, Ministry of Corporate Affairs. They are recruited in accordance with the procedure prescribed in the rules framed under proviso to Article 309 of the Constitution of India.
3. The second category comprise of the persons employed/ engaged by the Official Liquidator pursuant to the sanction accorded by the concerned Hon'ble High Court under Rule 308 and 309 of the Companies (Court) Rules, 1959. The



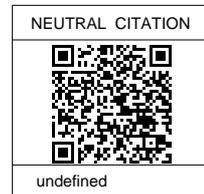
employees falling in this category are described as Company Paid Staff (Company Paid Staffs), and their salaries are drawn from the Common Pool Fund maintained by the Official Liquidator. She further submitted that as reflected in the record, 12 such personnel, particulars of whom are already on record in the Report, have rendered long and continuous service exceeding 17–20 years. The details of Staff as reflected in the Official Liquidator's report is given as below:

Sr. No.	Name of Employees	Group	Date of Order	OLR No.	Year Completed
01	Chital Sheth	C	17.06.2004	09/2004	20
02	Nirav Kuvadia	C	17.06.2004	09/2004	20
03	Ketan Velani	C	17.06.2004	09/2004	20
04	Sandip Parmar	C	17.06.2004	09/2004	20
05	Sunil Paniyal	C	13.05.2005	09/2004	19
06	Misba Faruqui	C	03.12.2012	103/2012	12
07	S. M. Shaikh	C	03.12.2012	103/2012	12
08	Mahindra Chauhan	D	22.03.2006	110/2005	18
09	Dinesh Prajapati	D	12.10.2006	83/2005	18
10	Shailesh Prajapati	D	12.10.2006	83/2005	18
11	Jayesh Gadhavi	D	12.10.2006	83/2005	18
12	Kalpesh Vaghela	D	12.10.2006	83/2005	18

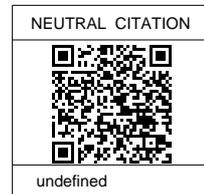
4. Ms. Thakore, Ld. Panel Advocate, apprised that with the coming into force of the Insolvency and Bankruptcy Code, 2016, and transfer of winding-up jurisdiction to the National Company Law Tribunal under the Transfer of Proceedings Rules, the Office of the Official Liquidator may be phased out upon completion of pending liquidation matters.



5. Ms. Thakore, Ld. Panel Advocate, further submitted that representations have been received from the Company Paid Staff stating that, unlike Central Government employees, they are not entitled to any statutory pensionary or terminal benefits, except gratuity and leave encashment, and upon cessation of the establishment they may stand without any residual welfare cover.
6. Ms. Thakore, Ld. Panel Advocate, further apprised that the Hon'ble High Courts of Calcutta, Delhi, and Punjab & Haryana have, in comparable circumstances, permitted limited ex-gratia welfare disbursements to Company Paid Staff of respective Official Liquidator establishments.
7. Ms. Thakore, Ld. Panel Advocate submitted that on receipt of the representations from the company paid staffs, the Official Liquidator issued letter dated 02.07.2025 to Ministry of Corporate Affairs, wherein the Official Liquidator has apprised the Ministry about the representations for ex-gratia and other benefits received from the Company Paid Staffs and seek their necessary direction/s on the said issue. In response to the said letter, Ministry of Corporate Affairs vide its letter dated 15.07.2025 informed that Company Paid Staff are not Government Servants, they are neither paid from consolidated fund of India nor through the Government Exchequer and thus, any welfare measure, if approved by this Court, shall be borne only from the Common Pool Fund.



8. The Official Liquidator apprised that with the enforcement of the Companies Act, 2013, Insolvency and Bankruptcy Code, 2016 and formation of National Company Law Tribunal, it is likely that Official Liquidator's office would not continue to operate for much longer.
9. Hence, in aforementioned scenario, the Central Government staff may be reassigned to other offices within Ministry. However, the Company Paid Staff, many of whom rendered more than two decades of dedicated service, face significant job insecurity. There is no provision for the sanctioning of pension or one-time retirement benefits upon superannuating or closure of the office, other than benefits such as Gratuity and Leave Encashment.
10. It is on this premise, that the provisioning of one-time ex-gratia payment is being prayed by the Company Paid Staff to recognize their services since the current situation poses substantial challenges for the Company Paid Staff who may face difficulties in finding alternative employment to support their families especially at the fag end of their careers.
11. Accordingly, the Official Liquidator has proposed a one-time ex-gratia payment be sanctioned in parity with the benefits approved by the Hon'ble High Court of Calcutta, Delhi and Punjab and Haryana, as a measure of welfare and recognition of long and dedicated service, to be disbursed only from the Common Pool Fund. Such ex-gratia payment

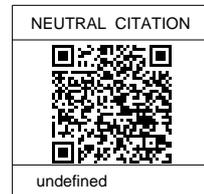


shall serve as post-retirement benefit or death benefits, to be paid to the immediate legal heirs or dependents of the existing company paid staff and shall be released upon the occurrence of the above noted events or upon the closure of Official Liquidator's office, whichever event transpires first. The entitlement proposed in the report is tabulated herein below: --

Sr. No.	Category of staff	Proposed Ex-Gratia to each employee
01	Gorup "C"	20 Lakh
02	Gorup "D"	18 Lakh

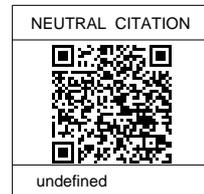
Accordingly, the entitlement of individual company paid staff working with the Official Liquidator proposed as under: -

S. No.	Name of Employee	Group	Proposed Ex-Gratia
01	Chital Sheth	C	20 Lakh
02	Nirav Kuvadia	C	20 Lakh
03	Ketan Velani	C	20 Lakh
04	Sandip Parmar	C	20 Lakh
05	Sunil Paniyal	C	20 Lakh
06	Misba Faruqui	C	20 Lakh
07	S. M. Shaikh	C	20 Lakh
08	Dinesh Prajapati	D	18 Lakh
09	Shailesh Prajapati	D	18 Lakh
10	Jayesh Gadhavi	D	18 Lakh
11	Mahindra Chauhan	D	18 Lakh



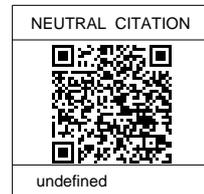
12	Kalpesh Vaghela	D	18 Lakh
	Total		230 Lakh

12. Ms. Thakore, Ld. Panel Advocate, apprised that the proposed ex-gratia payment shall not be admissible to any Company Paid Staffs who is under suspension or against whom disciplinary or vigilance proceedings are pending, or who has been found guilty of misconduct, mis appropriation, corruption or moral turpitude. In such cases, the concerned individual shall stand disqualified from the benefit either wholly or to such extent as this Hon'ble Court may determine on consideration of the facts of the matter.
13. At this juncture, it is challenging to forecast the lifespan of the OL office, Gujarat. This Court is cognizant of the unpredictability that accompanies retirement, particularly for the Company Paid Staffs, who are in a unique predicament as their services have not been formally recognized at par with Government employees, and they lack any pension provisions. Upon superannuation, these employees receive only a gratuity and a few minor benefits, despite their long, unbroken, and flawless service to the OL's office, which is in no way inferior to the contributions of regular staff.
14. Upon consideration of the tenure of service, absence of statutory terminal coverage and financial position of the Common Pool Fund, this Court is satisfied that a limited



welfare measure in the nature of a one-time ex-gratia payment is justified in equity, provided that it does not prejudice the entitlement of stakeholders in liquidation proceedings.

15. The Common Pool Fund, from which the expenditure is proposed, presently carries a balance in excess of ₹200 Crores, and the Receipts and Payments placed on record reflect a recurring annual surplus, even after meeting statutory obligations. Hence, the proposed limited welfare measure does not prejudice the interest of creditors or stakeholders of companies in liquidation.
16. Accordingly, having considered the submission made by Official Liquidator along-with Ms. Thakore, Ld. Panel Advocate, and on perusal of the records, following order is passed: --
 - (A) The proposal for grant of one-time ex-gratia payment in favour of 12 Company Paid Staff, in amounts proposed as reflected in Para 13 of the Report, is approved, strictly as a welfare measure, to be met exclusively from the Common Pool Fund.
 - (B) The Official Liquidator shall set apart the sanctioned amount from the Common Pool Fund and Invest the amount in separate term deposits in the joint name of the Official Liquidator and each individual employee, to retain supervisory control.



- (C) The ex-gratia amount, along with accrued interest, shall be released only upon:
- (i) Superannuation of the employee, or
 - (ii) Death, in which case to the legal heirs/dependents, or
 - (iii) Closure of the Office of the Official Liquidator, whichever event occurs first.
- (D) No payment shall be released to any individual who is under suspension or against whom any disciplinary or vigilance proceedings are pending or have resulted in a finding of guilt, unless otherwise directed by this Court on a separate application.
17. It is further clarified that the present benefit is a one-time welfare measure confined only to the 12 Company Paid Staff presently on record, shall not operate as a precedent, and shall not create any right of regularization, absorption, to further financial claim in favour of any other future claimant.
18. In case any difficulty arises in implementation of this order, it shall be open to the Official Liquidator to approach this Court for appropriate directions.
19. With the above directions, the Report stands disposed of accordingly.

DIPTI PATEL

(MAUNA M. BHATT,J)