

CRB CAPITAL MARKETS LTD. DISBURSEMENT COMMITTEE

(Constituted in terms of Order dated 15/12/2010 passed by Hon'ble Delhi High Court in Company Appeal No.08/2006)

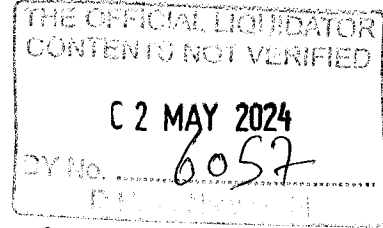
C/o CRB Capital Markets Ltd.

13, Panchkuin Road, New Delhi-110 001

E-mail: crb.disbursementcommittee@gmail.com

May 01, 2024

The Official Liquidator
8th floor, Lok Nayak Bhawan,
Khan Market, Sujan Singh Park,
New Delhi, Delhi 110003



Sub: Request for uploading the change of constitution of the Disbursement Committee constituted vide order dated 10/4/2024 passed by Hon'ble High Court of Delhi in Co. Appl. No.1709/2016 in Co. Pet. No.251/2002, on the website of the Official Liquidator of Delhi.

Sir,

It is most humbly submitted that vide order dated 10/4/2024 passed by Hon'ble High Court of Delhi in Co. Appl. No.1709/2016 in Co. Pet. No.251/2002, the Hon'ble High Court of Delhi has reconstituted the Disbursement Committee herein. A copy of the order is enclosed herewith. The new Committee has taken charge from the previous Committee on 29/4/2024. In the above order Hon'ble High Court of Delhi in Para no.45(iv) has directed as under:

"All Public Notices shall also be posted on the website of this Court as well as on the website of the Official Liquidator".

In furtherance of above order, it is requested that the reconstitution of Disbursement Committee vide the said order be uploaded on the website of the Official Liquidator of Delhi.

The public notice to be uploaded on the website is annexed herewith.

Thanking you,

Yours

For CRB Capital Markets Ltd Disbursement Committee

Vice-Chairman

Encl:

- 1) Copy of Order dated 10/4/2024
- 2) Copy of Public Notice

*Agreed
vce msc*

*CA Mr
ESTT / NESTT
Seth*

Urgent

*SPOL
CO. ORDINELY
with
M. Mani, ca
to upload
on the
website
2/5/24*

Vinod Kumar
Anshu Kumar
Vice-Chairman

PUBLIC NOTICE

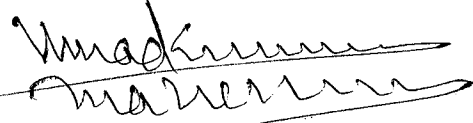
The Hon'ble High Court of Delhi vide order dated 10/4/2024 passed in Co. Appl. No.1709/2016 in Co. Pet. No.251/2002 has reconstituted the Disbursement Committee in the following manner:

- | | | |
|------|---|---------------|
| i. | Hon'ble Mr. Justice S.P. Garg (Retd.) (M: 9910384627) | Chairman |
| ii. | Shri V. K. Maheshwari, Retd. ADJ (M: 9910384671) | Vice-Chairman |
| iii. | Mr. Anil Sharma from M/s. A. Sharma & Co.,
Chartered Accountants | Member |
| iv. | Nominee from the O.L. | Member |
| v. | Authorised Representative from the RBI | Member |

The Disbursement Committee shall continue functioning from the office of the company located at '13, Panchkuin Road, New Delhi.

Yours

For CRB Capital Markets Ltd Disbursement Committee



Vice-Chairman



2024: DHC: 3206



\$~C1, C2, C3 & 28

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 10th April, 2024

+ **CO.PET. 191/1997 & CO.APPL. 1513/2004, 911/2005, 1297/2010**

RESERVE BANK OF INDIA

..... Petitioner

Through: Mr. Ramesh Babu along with Ms. Manisha Singh and Ms. Jagriti Bharti, Advs. for RBI. (M: 9873922734)
Mr. Alok Sharma, Senior Advocate with Mr. Narendra M. Sharma, Mr. Ankur Sood & Ms. Shubhangi Tiwari, Advocates for Applicants. (M: 9810076398)

versus

CRB CAPITAL MARKETS LTD. (PROVN. LIQN.)
P.LTD.

..... Respondent

Through:

Mr. Rajat Bhalla, Adv. for Applicant in CA 491/2019. (M: 9811661193)
Ms. Ruchi Sindhvani, Sr. Standing Counsel, Ms. Megha Bharara, Ms. S Meenakshi, Advs. (M:9811533510)

C2

WITH

+ **CO.PET. 251/2002 & CO. APPL. 1709/2016, 2519/2016,
CO.APPL. 384/2024**

CRB CAPITAL MARKETS LTD.

..... Petitioner

Through: None.

versus

RESERVE BANK OF INDIA

..... Respondent

Through:

Mr. Ramesh Babu along with Ms. Manisha Singh and Ms. Jagriti Bharti, Advs. for RBI.
Mr. Pinaki Misra, Senior Adv. along Mr. Bhuvan Gugnani, Adv. for the

Validity unknown

CO.PET. 191/1997 & connected

Page 1 of 30

Digitally Signed
By: DEV ANSHU JOSHI
Signing Date: 04.2024
19:20:04



2024: DRC: 3206



ex-Management.

Mr. Prasanta Varma, SPP, CBI with
Mr. Rakesh Kumar Palo, Mr. Rajesh
Palo & Mr. Pankaj Kumar, Advs. (M:
9818076828)

Ms. Ruchi Sindhwani, Sr. Standing
Counsel, Ms. Megha Bharara, Ms. S
Meenakshi, Advs.

Mr. Chirag M. Shroff, Advocate. (M:
9811032077)

Mr. Sachin Chopra, Adv. for
Committee.

C3

WITH

+

**CO.PET. 280/1997 and CO.APPLs.70/2008, 71/2008, 411/2008,
612/2012, 1020/2012, 2249/2014, 2250/2014, 242/2021, 97/2022,
830/2023, OLR 11/2024**

PNB CAPITAL SERVICES LTD.

..... Petitioner

Through: Mr. Alok Sharma, Senior Advocate,
with Mr. Narendra M. Sharma, Mr.
Ankur Sood, Ms. Shubhangi Tiwari
Advocates (M: 9810076398).

Official Liquidator - present in
person.

versus

M/S CRB CORPORATION LTD.

..... Respondent

Through: Mr. Bhuvan Gugnani Advocate for
ex-Management.

Ms. Ruchi Sindhwani Sr. Standing
Counsel, with Ms. Megha Bharara,
Adv. for OL.

Mr. Ramesh Babu, Advocate along
with Ms. Manisha Singh and Ms.
Jagrati Bharti, Advocates for RBI.

28

AND

+

CS(OS) 2039/1998

CAN FIN HOMES LTD.

..... Plaintiff

Through: Mr. Manu Bajaj, Adv.
(M:9999674252)

Validity unknown

CO.PET. 191/1997 & connected

Page 2 of 30

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 24.04.2024
19:20:04



2024: DHC: 3206



versus

CRB CAPITAL MARKETS LTD.

..... Defendant

Through: Mr. Alok Sharma, Senior Advocate
with Mr. Narendra M. Sharma, Mr.
Ankur Sood & Ms. Shubhangi Tiwari,
Advocates for Applicants.

CORAM:**JUSTICE PRATHIBA M. SINGH****Prathiba M. Singh, J. (Oral)**

1. This hearing has been done through hybrid mode.

CO.PET. 280/1997 CO.APPL. 70/2008, 71/2008, 411/2008, 612/2012, 1020/2012, 2249/2014, 2250/2014, 242/2021, 97/2022, 830/2023, OLR 11/2024.

2. *Co.Pet. 280/1997* has been filed by the Petitioner- PNB Capital, Services Ltd. seeking winding up of the CRB Corporation Ltd. In the present petition, the Provisional Liquidator was appointed vide order dated 22nd August, 1997. The above applications have been filed both by the OL and by the Applicants therein seeking release of lands and claiming rights in the land taken over by the OL.

3. The dispute in these applications is in respect of land belonging to the following five projects located in Rajasthan:

S. No.	Name of Project
(i)	Tala Project
(ii)	Gulab Bagh Project
(iii)	R.S.E.B. Project
(iv)	Nawab Kallan
(v)	Beed Papad

4. The brief background of the present applications is that one of the promoters of the company in provisional liquidation, Mr. C.R. Bhansali had

Validity unknown

CO.PET. 191/1997 & connected

Page 3 of 30

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 24.04.2024
19:20:04



2024:DHG:3206



entered into a Memorandum of Understanding ('MoU') dated 30th October, 1993 with Mr. J. P Sharma for development of a golf resort at a location near the Delhi-Jaipur National Highway.

5. In terms of the said MoU, a company was to be set up in which 70% of the shareholding was to be held by Mr. J.P Sharma and 30% shares by Mr. Bhansali. Subsequent to this MoU, Mr. Sharma and Mr. Bhansali also agreed to jointly invest in certain other projects, which are at numbers (i), (iv) and (v) above. In terms thereof, an agreement as recorded vide Minutes dated 2nd September 1996, was arrived at, between the parties. As per these Minutes certain sums were to be disbursed by Mr. Bhansali to Mr. Sharma, with the respective share in the said projects being as under ('subject lands'):

- In Tala Project, both Mr. Sharma and Mr. Bhansali were to have 50:50 share;
- In Gulab Bagh Project, Mr. Bhansali's share was 25%;
- In the R.S.E.B Project, Mr. Bhansali's share was 37.5%;
- In the Nawab Kallan project, 50:50 share;
- In Beed Papad project also 50:50 share.

6. In the above context, this Court, vide order dated 17th October, 2023, recorded the submission of the parties that concerning the purchase of the said lands, Mr. Bhansali had paid Rs.3.32 crores out of the agreed Rs.8.90 crores to Mr. J.P Sharma, which was used by M/s MSK Marketing Pvt. Ltd. to purchase R.S.E.B. land for Rs.33 lakhs. The Official Liquidator (OL) argued that since the land was bought with the money paid by Mr. Bhansali through the company in provisional liquidation, it should fully vest with the

Validity unknown

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 04.04.2024
19:20:04

CO.PET. 191/1997 & connected

Page 4 of 30



company, denying rights to M/s. MSK Marketing or Mr. Sharma. Conversely, Id. Sr. Counsel for M/s. MSK Marketing contended that since only a fraction of the total sum was paid, rights cannot be claimed by Mr. Bhansali or the OL, proposing that at most, monetary compensation could be considered.

7. Thus, on 17th October 2023, the Court considered the partial payment towards the total agreed sum, development efforts by Mr. Sharma, and the substantial market value of the lands involved. This was limited to three lands - R.S.E.B Land, Tala Land and Gulab Bagh Land. The Court then directed the calculation of Mr. Bhansali's share based on his contribution, and tentatively determined that Rs.22.75 crores were payable to the OL. The relevant portion of the said order reads as follows:

"7. As recorded vide letter dated 17th October 1997, Mr. Bhansali had remitted a sum of Rs.3.32 crores to Mr. J. P Sharma out of the agreed sum of Rs.8.90 crores.

8. In view of this remittance of Rs.3.32 crores, it is the case of the OL that M/s MSK Marketing Pvt. Ltd., which is the applicant in Co. Appl.1020/2012, purchased the entire R.S.E.B. land for a sum of Rs.33 lakhs. Thus, the claim of the OL is that in view of the land having been purchased out of the amount of Rs.3.32 crores, paid by Mr. Bhansali through the company in liquidation, the R.S.E.B. land should vest fully with the company and no rights can be claimed by either MSK or Mr. Sharma.

10. On the other hand, the stand of Id. Sr. Counsel Mr. Alok Sharma appearing for M/s. MSK is that the total sum that had to be paid is Rs.8.90 crores, and only Rs.3.32 crores was paid. Thus, merely 1/3rd of the amount having been paid, rights cannot be claimed either by Mr. Bhansali or by the OL. He



further submits that Mr. J. P. Sharma, had in fact, developed the projects and had to evict a large number of tenants, for which legal proceedings were also initiated. Accordingly, the said land cannot be vested with the OL. At best, some monetary compensation can be paid towards the contribution made by Mr. Bhansali. This submission is without prejudice to the primary argument of ld. Sr. Counsel that under Section 56 of the Contract Act, 1872 since the transaction did not go through, the entire contract stood frustrated and the parties were discharged from their respective obligations.

11. Ms. Ruchi Sindhwani, ld. Counsel for the OL disputes this position and submits that when such a large sum of money has been paid and purchases have been made, which have been credited by Mr. Bhansali, the contract cannot be held to be frustrated. At best, the Applicant would be a creditor of the company in liquidation.

12. The court put a query to both counsel as to the market value of these lands. ld. Counsel for the ex-management of the Company in liquidation, on a query from the Court has, handed over a valuation report for three of the subject lands, wherein the following valuation has been attributed:

- **Tala land of 400 bighas has been valued at Rs. 22,75,70,197 (Twenty-two crore, seventy-five lakh, seventy thousand, one hundred ninety-seven.)-;**
- **R.S.E.B land has been valued at Rs. 70,000 per square meter i.e. Rs. 5,72,17,86,00/- and**
- **Gulab Bagh land has been valued at 1.90 lakhs per square meter at Rs. 7,40,30,70,70/-.**

13. The Court has put to both the counsels for Mr. J.P. Sharma and the OL that considering the contribution made by Mr. Bhansali was approximately 1/3rd of the total agreed amount, and considering the pro rata share which was to be enjoyed by Mr. Bhansali, in terms of the Minutes of Meeting dated 2nd



September, 1996, the share of Mr. Bhansali has to be determined. It is only then the amounts can be paid to the OL, as the company's share in the lands.

14. The Court has, after considering the matter, based on the valuation reports placed on record, has arrived at an amount of Rs.22.75 crores as the amount to be payable to the OL. As per Id. Counsel for M/s. MSK, certain payments made to the tune of Rs. 47 lakhs ought to be given credit for and the remaining may be directed to be deposited. On the other hand, OL's counsel prays that the OL may be permitted to do an independent valuation of these lands so as to arrive at the correct amount payable, even if this approach is to be adopted.

15. Considering the nature of the matter, the OL has had sufficient opportunity to value these lands as these applications date back to 2008 and 2012. No valuation has however been placed on record. However, since the market value of these properties is substantial, the Court gives a last opportunity to the OL to value these lands and place before the Court a comprehensive valuation report, failing which the Court would proceed with the valuation report as submitted by the ex-management.

16. In this matter, vide order dated 27th July, 2005 in **CP No.191/1997**, a sum of Rs.12,38,680/- was directed to be deposited in FDR by M/s Navjeevan Builders Pvt. Ltd. The said amount was deposited with the worthy Registrar General. However, the said amount has not been kept in an FDR. It is only in June, 2023, the same is stated to have been converted in FDR. Thus, interest for the period from 2005 till 2023 has not been earned on the said amount.

17. Let the concerned Registrar of the Branch place a report before this Court stating the reasons as to why the amount was not converted into FDR since 2005, especially in the light of the repeated office orders issued by the Registrar General dated 30th



2024: DHC: 3206



August 2018 and 28th November 2015 to keep all the amounts, which are deposited with the Registrar General in FDRs. Registry shall also put up a report confirming that if there are any further amounts, which are lying deposited in this matter, have not been encashed and converted into FDR."

8. As can be seen from the above, the OL sought time to have a re-look at the valuation and make submissions. Though this Court was of the view that the OL's office has had sufficient opportunity to value these lands as the applications dated back 2008 and 2012, last opportunity was granted to the OL to place the value of these lands, failing which, the Court would proceed in terms of the valuation report submitted by the Ex-Management.

9. As recorded vide order dated 8th February, 2024, the OL filed **OLR 11/2024**, in terms of the order dated 17th October, 2023, which provided certain valuations done by ITCOT, for the subject properties located in Rajasthan. On the said date, the Applicants raised several objections to the valuation report presented by the OL. As per the Id. Counsels appearing for the Applicants, the valuation report, filed in January, 2024, has assigned certain unrealistic valuations to these lands. Thus, on the last date, the OL's Counsel requested further time to consult with the OL's Office and subsequently present the actual valuation according to the OL. Today, the OL's office has placed the following valuation on record:-



2024:DHG:3206



S. No.	Properties	Amount due to Co. (in. Liqn) as per ITCOT Valuation X0.373
1.	Nawab Kallan Project	@FMV=Rs.209 Cr. X 0.373=Rs.77.957 Cr. @DSV= Rs. 167.2 Cr. (Encroached by Wakf Board)
2.	Tala Land Project	@FMV=Rs.16.25 Cr. X 0.373=Rs.6.06125 Cr. @DSV=Rs.13.00 Cr.
3.	Beed Papad Project	@FMV=Rs.8.49 Cr. X 0.373=Rs.3.16677 Cr. @DSV =Rs. 167.2 Cr. (Acquired by Forest Dept.)
4.	R.S.E.B. Project	@FMV=Rs.38.31 Cr. X 0.373=Rs.14.28963 Cr. @DSV Rs. 30.65 Cr.
5.	Gulab Bagh Project	@FMV=Rs.32.365 Cr. X 0.373=Rs.12.072145 Cr. @DSV= Rs. 25.893 Cr.
	Total	@FMV=Rs.304.42 Cr. X 0.373=Rs.113.54 Cr. @DSV= Rs. 243.53 Cr. Total payable to OL Rs.32.423025 Cr. (Share excluding properties at Sr. No.1-Nawab Kallan & Sr. No. 3- Beed Papad)

10. The OL is present in person. Ms. Sindhwani has made her submissions. According to the OL, the share of CRB Group in Tala Land, R.S.E.B. Land and Gulab Bagh Land should be a sum of Rs.32.42 crores. This excludes the Nawab Kalan and Beed Papad projects, which, as per the OL, have been encroached upon by the Waqf Board and acquired by the Forest Department, respectively.

11. Mr. Alok Sharma, Id. Sr. Counsel has made further submissions on the ground that the OL's valuation is still inflated. He submits that the OL's ITCOT valuation is still based on the presumption that the R.S.E.B property is commercial in nature, whereas the same has been approved for residential purposes.

Validity unknown

CO.PET. 191/1997 & connected

Page 9 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date: 24-04-2024
19:20:04



2024:DHC:3206



12. The law is well-settled by the Supreme Court in *Navlakha & Sons v. Sri Ramanya Das & Others, (1969) 3 SCC 537*, that the Company Court is the custodian of the interests of the company and its creditors, and the sanction of the Court required under the Companies Act, 1956 has to be exercised with judicial discretion with regard being had to the interests of the Company and its creditors as well.

13. The subject lands – Tala Land, R.S.E.B. land, and Gulab Bagh lands have been lying unused for several years now due to the stalemate between the Applicants and the Ex-Management. According to the OL, on the other lands – Beed Papad and Nawab Kallan, there are various encroachments, including those by the Waqf Board, and there is some doubt as to a portion of the land of the Beed Papad project having been acquired by the Forest Department.

14. The Provisional Liquidator was appointed in this matter back in 1997, and symbolically, the companies—CRB Corporation and CRB Capital Market are entitled to a share in the profits from these properties. In these applications, the case of the Applicants has already been recorded in the order dated 17th October, 2023, from which it has become clear that Mr. Bhansali of CRB had only contributed Rs.3.32 crores out of the agreed Rs.8.90 crores, and title to these lands has never been transferred. These lands have been locked in the present litigation for more than 25 years and there has been no resolution as yet. The contribution made by Mr. Bhansali and the Company going into provisional liquidation has resulted in a situation that neither the OL, nor Mr. Bhansali nor the Applicants who had entered into a potential arrangement, have been able to make use the lands for any purpose.

Validity unknown

CO.PET. 191/1997 & connected

Page 10 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:04.04.2024
19:20:04



2024:DHG:3206



15. Under these peculiar facts, the only issue is the manner in which the contribution made by the CRB Group is to be reversed in favour of CRB Group i.e., the OL, as the company is currently under provisional liquidation. The Court has taken an estimate of the share contributed, as also the market value placed on record. At best, the company would have been entitled to its own share which is 50%, 37.5% and 25% in Talan, RSEB and Gulab Bagh lands, respectively. Applying a valuation-based approach on these shares would be one of the modes of compensating the company for value of its share in these lands.

16. After having perused the valuation given by the Ex-Management and by the OL, this Court deems it appropriate to direct a sum of Rs.25crores to be paid to the OL by the Applicant-Companies within a period of four months in four equal instalments in the following manner:-

- i) Rs.6,25,00,000/- by 15th May, 2024.
- ii) Rs.6,25,00,000/- by 15th June, 2024.
- iii) Rs.6,25,00,000/- by 15th July, 2024.
- iv) Rs.6,25,00,000/- by 15th August, 2024.

17. Let the amount of Rs. 25 crores be credited to CRB Corporation and CRB Capital Markets in the ratio of their contributions and be maintained by the OL. Upon the payment of the entire sum of Rs.25 crores, the lands of the following projects being RSEB Land, Gulab Bagh Land and Tala Land shall stand released in favour of the respective Applicant-Companies.

18. The said Companies are free to deal with the said lands at the three locations, after depositing the sum as directed above with the OL.

Validity unknown

CO.PET. 191/1997 & connected

Page 11 of 30

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 04.04.2024
19:20:04



19. Credit for a sum of Rs.47 lakhs is also being claimed by the Applicants as recorded in the previous order dated 17th October, 2023. The relevant extract is set out below:

“14. The Court has, after considering the matter, based on the valuation reports placed on record, has arrived at an amount of Rs.22.75 crores as the amount to be payable to the OL. As per ld. Counsel for M/s. MSK, certain payments made to the tune of Rs. 47 lakhs ought to be given credit for and the remaining may be directed to be deposited. On the other hand, OL's counsel prays that the OL may be permitted to do an independent valuation of these lands so as to arrive at the correct amount payable, even if this approach is to be adopted.”

15. Considering the nature of the matter, the OL has had sufficient opportunity to value these lands as these applications date back to 2008 and 2012. No valuation has however been placed on record. However, since the market value of these properties is substantial, the Court gives a last opportunity to the OL to value these lands and place before the Court a comprehensive valuation report, failing which the Court would proceed with the valuation report as submitted by the ex-management.”

20. In view of the valuations seen and the amount of Rs. 25 crores which has been determined as payable to the OL, this Court is not inclined to direct any adjustment of the said amount of Rs. 47 lakhs being claimed, as the same is not an admitted sum.

21. Insofar as the Nawab Kallan Project land and Beed Papad project land are concerned, the OL is free to take steps in accordance with law.

22. Accordingly, all the applications in *Co. Pet. 280/1997* stand disposed of and *OLR 11/2024* is taken on record.



2024:DHC:3206



CO.PET. 280/1997

23. List on 19th July, 2024.

CO.PET.191/1997 & CO.APPLs.1513/2004, 911/2005, 1297/2010, 695/2023

CO.PET.251/2002 & CO.APPLs.1709/2016, 2519/2016, 384/2024 (for delay)

24. For the reasons stated in the application, delay of 72 days in filing the affidavit is condoned. Application is disposed of.

25. *Co. Appl. 2519/2016* in *Co. Pet. 251/2002* has been filed by the Ex-Management under Rule 9 of the Company (Court) Rules, 1959, for sanction of the revised scheme for compromise and/or arrangement under Section 391/394 of the Companies Act, 1956, in accordance with the order of the Supreme Court dated 19th April, 2016.

26. An initial scheme was sanctioned by the Id. Single Judge on 24th January, 2006 in *Co. Pet. 251/2002*, which was, however, set aside by the Id. Division Bench vide judgment dated 21st November, 2012 in '*RBI v. CRB Capital Markets Ltd.*' bearing no. *Co. App. 08/2006*. The matter, finally, was considered by the Supreme Court in '*CRB Capital Markets Ltd. v. RBI & Anr.*' bearing no. *SLP 39324-39327/2012*, in which the following order was passed on 19th April, 2016:

"The operative part of the High Court is as follows:

"46. Therefore, we set aside the impugned judgment as also the scheme and remit the matter to the company court for consideration of the winding-up petition (C.P.No. 191/1997) in accordance with law. We make it clear that there is no bar on CRB Capital propounding another scheme during the pendency of the said winding-up petition

Validity unknown

CO.PET. 191/1997 & connected

Page 13 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:04.2024
19:20:04



or even thereafter, in case winding-up is ordered. However, only such a scheme may be propounded, which does not contravene any of the statutory provisions contained in the Companies Act, the RBI Act, the SEBI Act or the Income Tax Act or any other statutory provision and which is in public interest and not opposed to public policy".

*Since the matter has been remitted to the learned Company Judge and there is no bar to the petitioner propounding a scheme in accordance with law, we do not find any ground to interfere with the impugned order. It is open to the Company Judge to go into all contentions raised by the parties independently. **However, directions in the interim order of the Division Bench dated 15th December, 2010 shall remain operative by the payments will be subject to further order of the Company Judge. The disbursements will not imply that the scheme which has been set aside stands revived. The order of the Division Bench does not debar the scheme which has been set aside by the Division Bench to be presented again for consideration by the Company Judge after being revised, consistent with the statutory scheme as observed by the Division Bench. The special leave petitions are disposed accordingly. The parties may appear before the Company Judge for further proceedings on 10th May, 2016. We request the Company Judge to expedite the matter. It will be open to the parties seeking intervention to move the Company Judge in accordance with law.***

27. In view of the above order, the proposed revised Scheme of Compromise and/or Arrangement in terms of the Companies Act, 1956 has been filed by the Ex-Management.

28. It was argued on 12th December, 2023, by the proponents of the



2024: DHC: 3206



Scheme that the said order of the Supreme Court allows the Company Court to reevaluate the matter entirely and even reconsider the old scheme, whether modified or not, after which the proponents filed a revised Scheme. The said revised Scheme is objected to by Mr. Ramesh Babu, representing the RBI, and Ms. Sindhvani, representing the Official Liquidator (OL). Ld. Counsel for the OL questioned the viability of the company's assets, noting that the asset base has evolved over time, and submitted that any scheme must follow the procedural requirements of the Companies Act, 1956, including demonstrating fund flow and availability. Thus, after considering these contentions, the Court passed the following directions:

"7. Ld. Sr. Counsels have, thereafter, taken the Court through the revised Scheme, attached to this application.

8. After a preliminary perusal of the said Scheme, it appears that this scheme was submitted to the Court sometime in 2016. Since then, there must have been significant changes in respect of the liabilities and assets of the company.

9. Accordingly, it is deemed appropriate to direct the proponents of the Scheme to file an updated affidavit, giving a complete list of all the liabilities and assets, along with a detailed description of the fund flow as proposed in the Scheme. Let this affidavit be filed within six weeks."

In terms of the above order, the Ex-Management was to file an updated affidavit.

29. An affidavit has now been filed by the Ex-Management setting out the latest position of the assets and liabilities. The assets and liabilities of the company have been attached with the application **Co. App. 384/2024**, as per which the projected fund flow statement has also been given. Details of

Validity unknown

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 24.04.2024
19:20:04

CO.PET. 191/1997 & connected

Page 15 of 30



fixed assets, shares and securities, the list of unsecured creditors, bond holders, etc., have all been provided in the form of a full set of documents. Copies of the said documents have been served upon the OL. The OL may verify the same and file a response/report by the next date of hearing.

Co. Appl. 1709/2016

30. The prayer in the application i.e., **Co. Appl. 1709/2016** is for directing the Disbursement Committee to recommence disbursements to the depositors and bond holders, in terms of order of the Id. Division Bench dated 15th December, 2010 and order dated 19th April, 2016 passed by the Supreme Court.

31. Vide order dated 15th December, 2010 passed by the Id. Division Bench in **RBI v. CRB Capital Markets Ltd. [Co. App. 8/2006]**, the Id. Division Bench noted that there were a large number of depositors (unsecured creditors), who had made deposits with CRB Capital Markets Ltd. The details of the said depositors as captured in paragraph 39 of the order dated 15th December, 2010 are as under:

CRB CAPITAL MARKETS LTD.			
Details of liability of Depositors of the Respondent Company in terms of the claims received & scrutinized by the C.A. appointed by this Hon'ble Court as on 13/12/2010			
Sr. No.	Particulars	No of creditors/claimants	Amount (Rs.)
1.	Depositors (Senior Citizens, Widows, Disabled persons, cancer patients & retired persons)	7989	148,940,944.00
2.	Depositors upto Rs.5,000/-	2072	9,576,216.00
3.	Depositors between Rs.5,001/- to Rs.20,000/-	25724	318,972,859.00
4.	Depositors between Rs.20,001/- to Rs.50,000/-	4472	153,730,331.00
5.	Depositors above Rs.50,000/-	2000	293,666,487.00
6.	Depositors whose claims have been rejected by C.A.	1850	51,197,308.00
	Total		976,084,145.00



32. Vide the said order passed on 15th December 2010, the Court constituted a Committee called the 'Disbursement Committee' and passed the following directions:

"49. In view of the above, we direct as follows:-

(i) For the time being, without prejudice to the rival contentions, we deem it to be in the interest of justice and direct that the categories mentioned at sl. nos. 1 to 4 of the tabulation in para 40 above are paid the full principal amount of their claims in terms of the report of the Chartered Accountant dated 17th August, 2005.

(ii) So far as depositors whose claims have been rejected by the report of the Chartered Accountant who have been detailed at sl.no 6 of the tabulation in para 40 above, the payment to such persons shall also be effected to the extent in terms of the categories mentioned at sl.no. (i) and (ii).

So far as the persons detailed at serial no.6 of para 40 above are concerned, subject to these claimants producing the original fixed deposit receipts issued by the company as well as proof of their identity, the Committee may disburse amounts to these claimants as well.

(iii) A disbursement committee is hereby appointed consisting of:-

(a) Chairman Mr. S.K. Tandon, Retd. ADJ (Address: 244, Bank Enclave Near Laxmi Nagar, Delhi-92 Mobile 9811719888).

(b) Member, Ms. Mamta Mehra, Advocate (Address: Ch. No. 384 & 96, Lawyers' Chamber Block-II, Delhi High Court. Mobile No. 9810001790).

(c) Member, Sh. P.K. Sharma, Retd. Joint Registrar (Address 240, Lawyers Chamber, Delhi High Court, Mobile No. 9810772846).

(d) A competent authorised representative from M/s Anil Sharma & Co., Chartered Accountants, (Address 5: R-3, 4, Ansal Chambers II, 6 Bhikajicama Palace,



2024:DRC:3206



New Delhi, Phone No. 26173573 & 26191594).

(e) Mr. C.R. Bhansali, Chairperson of the respondent company

(f) Mr. Riasuddin, Dy Official Liquidator.

(iv) It shall be open for any authorised representative from the Reserve Bank of India to join the proceedings of the Disbursement Committee. The requisite intimation in this behalf may be sent by the Reserve Bank of India to the Chairman of the Committee within two weeks from receipt of this order.

(v) The Committee shall complete its proceedings **within six months** from the date of publication of the first public notice in terms of the present order.

(vi) Reports shall be filed before the learned Company Judge.

(vii) The committee shall ensure that a public notice of the details of the identification of the claimants and the amounts quantified by M/s Anil Sharma & Co. is effected in newspapers in the English language and in vernacular all editions of the Indian Express: Economic Times; Navbharat Times, New Delhi; Sandesh (Gujarat); Rajasthan Patrika, the Hindu and the Telegraph

(viii) The claimants shall be informed by individual notices against recorded delivery.

(ix) The public notices of the constitution of the present Committee and the directions for disbursement of the amounts made by us today as well as the place and schedule of the commencement of the proceedings of the said Disbursement Committee shall also be issued in all newspapers mentioned above.

(x). All public notices shall also be posted on the



website of this court as well as on the website of the Official Liquidator

(xi) The notice(s) at sl.no. (vii) & (ix) may be combined. Draft notices shall be prepared by the Dy. Official Liquidator concerned which shall be approved by the Committee before publication.

(xii) The Committee shall open a separate account in the name of CRB Capital Markets Ltd. (Disbursement Account) which shall be managed under the signatures of Chairman and Mr. P.K. Sharma, member of the Committee.

(xiii) The Committee shall also stand authorised to engage and employ any staff which may be necessary for discharge of the duties assigned hereby.

(xiv) The Committee is empowered to set down its own procedure to ensure that disbursement of the amounts in respect of the claimants mentioned in the final report dated 17th August, 2005 of the Chartered Accountant is effected to the rightful claimants in terms of the above directions. To the extent possible, payment shall be effected by the RTGS mode.

(xv) The Committee is entitled to incur such expenditure as is necessary in order to ensure compliance with the directions of this court from the funds of the Company. The accounts in this regard shall be maintained and placed before the Official Liquidator who shall report the same to the learned Company Judge.

(xvi) In case any direction is necessary for effective discharge of the duties of the Committee, it is open for the Committee to inform the same either to the Company and/or the Official Liquidator who shall



2024: DHC: 3206



forthwith place the same before us by making an application.

(xvii) The Committee shall open a demat account in the name of the company to dematerialise the shares in M/s Sarwariya Agro Oils Ltd. held in its name and/or in the name of the Official Liquidator. The Committee may sell the shares in a deferred manner so as to fetch the best market price.

(xviii) In case the Official Liquidator or the company receives any other or further claims of depositors, the same shall be placed and considered by the committee who shall take an appropriate decision thereon. Such decision shall also be placed before the learned Company Judge for appropriate orders in terms of the directions made by us today.

(xix) Steps towards issuance of the public notices shall be completed within a period of eight weeks from the passing of this order.

(xx) The Official Liquidator shall ensure that the proceedings of the Committee are facilitated and all steps for opening of the demat account/bank account and transfer of the amounts are taken forthwith.

(xxi) The Committee shall submit a report every two months which shall be placed by the Official Liquidator before this court.

(xxii) The Disbursement Committee shall be permitted allowances in the following manner :-

(a) Chairperson 60,000/- per month;

(b) Members

(i) Ms. Mamta Mehra, Advocate, Ch. No. 384 & 96, Lawyers' Chamber Block-II, Delhi High Court, Mobile No. 9810001790);

Validity unknown

CO.PET. 191/1997 & connected

Page 20 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date: 04.04.2024
19:20:04



(ii) Mr. P.K. Sharma, Retd. Joint Registrar, 240, Lawyers Chamber, Delhi High Court, Mobile No. 9810772846); and

(iii) Representative of M/s A. Sharma & Co., Chartered Accountant

Members to be paid 40,000/-each per month

(c) Mr. C.R. Bhansali. Chairperson shall be entitled to claim either actual expenses of travelling or a lump sum of 20,000/- per month, whichever is higher.

(d) Sh. Riasuddin, Dy Official Liquidator shall be entitled to conveyance charges of 15,000/- per month,

(e) Staff member from the office of the Official Liquidator who may be required for transportation of records shall be paid at the rate of 250/- per visit.”

33. In terms of the above order, the Disbursement Committee consisted of the following members:

- | | | |
|------|---|----------|
| i. | Mr. S. K. Tandon | Chairman |
| ii. | Mr. Mamta Mehra, Advocate | Member |
| iii. | Mr. P.K. Sharma, Advocate (Retd. Joint Registrar) | Member |
| iv. | Mr. Anil Sharma from M/s. A. Sharma & Co.,
Chartered Accountants | Member |
| v. | Mr. C.R. Bhansali, Chairperson, CRB Capital
Markets Ltd. | Member |
| vi. | Mr. Raisuddin, Dy. O.L. | Member |
| vii. | Authorized representative from RBI | Member |

The Committee was given six months to complete the disbursements, after issuing public notices.

34. One of the members of the Committee has passed away. The latest status of the disbursements was also needed to be called from the Committee. In view of the same, on 12th December, 2023, this Court passed



the following directions:

“11. A perusal of the above constitution of the Committee reveals that Ms. Mamta Mehra has unfortunately passed away last year and some fresh members would be required to be appointed.

12. Accordingly, let an updated status report be filed by Mr. S. K. Tandon, giving complete details of the disbursements made by the Disbursement Committee, post which the reconstitution of the Committee shall be considered by this Court.

13. Let the electronic record of these petitions be made available to the ld. Counsels.

14. Insofar as IDBI's application is concerned, i.e., Co. Appl. 695/2023, the said application seeks disbursal of the amount in terms of the revised Scheme. Since the revised Scheme is itself under consideration at this point, no orders can be passed at this stage. The same would be considered at an appropriate stage. Let Co. Appl. 695/2023 be listed on the next date of hearing.”

Disbursal of the claims to the depositors

35. As per the Committee, the current status is that a substantial number of depositors are stated to have been paid their deposits. The details submitted by the Disbursement Committee as of today are as follows:



2024:DHG:3206



Position as on 31 st January, 2024							
S. No.	Particulars	Old Files		New Files		Total Files	
		Total Files	Amount	Total Files	Amount	Total Files	Amount
A	Total Claims	42793	90,78,60,753	11329	24,42,54,558	54122	1,15,21,15,311
B	Claims Paid	25549	53,66,15,000	5784	12,64,38,820	31333	66,30,53,820
B1	Balance amount payable in claims paid		1,97,49,000		25,12,000		2,22,61,000
C	Claimed Rejected	14646	28,06,13,550	4262	7,56,91,884	18908	35,63,05,434
D	Claim pending/in process	2598	7,08,83,203	1283	3,96,11,854	3881	11,04,95,057

36. As can be seen from the above chart, the total claims received were 54,122, and 31,333 of those claims are stated to have already been paid by the company. Additionally, 21,070 claims have been rejected, and the reasons for rejection, *inter alia*, are as follows:

C	Claims rejected	Total Claims
(i)	<u>As per tracking report</u>	
	Delivered but no reply received	11312
(ii)	<u>Envelope returned with following comments</u>	
	Not known	762
	Not found	90
	Income address	661
	Left without address	3905
	Deceased	421
	Refused	24

Validity unknown

CO.PET. 191/1997 & connected

Page 23 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:24.04.2024
19:20:04



	No such person resides at given address	799
	Address absent - intimation served	2
	Not at given address	14
	Door locked	89
	Unclaimed	710
	Duplicate	1826
	Death case	1
	Incomplete address	35
	Other companion claims	250
	FDR not issued	50
(iii)	<u>Communication could not be made as no proof address</u>	119
	Total	21070

37. The Id. Division Bench had directed payments to be made by RTGS but from the above it appears that a substantial number of depositors could not even be contacted due to lack of particulars. Thus, even notices to these depositors appear to have not been served due to proper addresses and other verified details.

38. Ld. Counsel for the Disbursement Committee states that the amount lying with the Disbursement Committee is Rs. 9.27 crores. There are also expected funds as per the above order passed in *Co. Pet 280/1997*. Further, the opening cash and bank balance is stated to be in surplus of Rs. 3.41 crores.

39. On the basis of the above, Mr. Sachin Chopra, Id. Counsel appearing



2024: DHC: 3206



for the Disbursement Committee submits that now, **1,719 claims** are pending and even the claims which are above Rs.50,000/- can now be disbursed owing to the fund position. Some of the reasons why these claims are pending as under:

- (i) Details of the bank accounts
- (ii) Some FDRs have been misplaced or lost
- (iii) Some FDRs have been submitted to the company, RBI, OL etc.
- (iv) There are certain third-party claims.

The total value of 1,719 claims which are pending are to the tune of approximately Rs.6.36 crores.

40. The Court has been supervising the above disbursements through the Disbursement Committee for the last several years. The above order passed by the Id. Division Bench was considered by the Supreme Court, which has directed that the directions in the interim order dated 15th December, 2010 of the Id. Division Bench, shall remain operative but the payments would be subject to further orders of the Company Judge.

41. Considering the number of claims that are now pending, in accordance with law, it is deemed appropriate to direct that the Disbursement Committee ought to continue disbursement of the remaining 1,719 claims. As of today, according to the Committee's report, there is approximately Rs.9 crores in the Committee's account. Accordingly, let the disbursement in respect of 1719 claims be continued.

42. In the meantime, it is also noticed that the Committee, which was originally constituted in 2010, would require to be re-constituted owing to the demise of one of the members and other exigencies. Accordingly, the Disbursement Committee is now re-constituted in the following manner:

Validity unknown

CO.PET. 191/1997 & connected

Page 25 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:24.04.2024
19:20:04



2024:DHC:3206



- i. Hon'ble Mr. Justice S.P. Garg (Retd.) (*M: 9910384627*) Chairman
- ii. Shri V. K. Maheshwari, Retd. ADJ (*M: 9910384671*) Vice-Chairman
- iii. Mr. Anil Sharma from M/s. A. Sharma & Co., Member
Chartered Accountants
- iv. Nominee from the O.L. Member
- v. Authorised Representative from the RBI Member

43. The fee of the Chairman is fixed at Rs. 1 lakh per month, excluding out of pocket expenses. The fee of the Vice-Chairman and the Chartered Accountant who are Members of the Committee is revised to Rs. 70,000/- per month, excluding out of pocket expenses. All expenses, including out of pocket expenses, would be provided from the amounts lying with the Committee, as shown above. The Committee shall file a report in relation to the expenses incurred with the Court, every month.

44. The Office of the Official Liquidator shall provide all necessary assistance to the Disbursement Committee for its functioning. The Chartered Accountant who is stated to be fully aware of the proceedings of the Disbursement Committee shall effectively assist the newly constituted Disbursement Committee & cooperate in giving effect to the orders passed herein. It shall be open for any Authorised Representative from the Reserve Bank of India to join the proceedings of the Disbursement Committee. Requisite intimation in this behalf may be sent by the Reserve Bank of India to the Chairman of the Committee within two weeks from receipt of this order.

45. The Disbursement Committee shall continue functioning from the office of the company located at '**13, Panchkuian Road, New Delhi**', where the records of the company have also been preserved, from where the earlier

Validity unknown

CO.PET. 191/1997 & connected

Page 26 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:04.04.2024
19:20:04



2024:DHC:5206



Disbursement Committee was also functioning.

46. The mandate and functioning of the Committee would be to complete the disbursements, as directed by this Court from time to time. The procedure for making disbursements shall be as under:

- (i) Without prejudice to the rival contentions, it is deemed appropriate to direct that the full principal amount (without any interest thereon) be paid for the 1,719 claims of depositors, who made deposits up to Rs 50,000/-.
- (ii) In regard to claims exceeding Rs. 50,000/- the Committee is directed to present a chart to the Court detailing the specifics of these claims and the total disbursements that are due to be made. However, no disbursements shall be made for any claims in the category that exceeds Rs.50,000/- until further directions of this Court.
- (iii) The Disbursement Committee shall ensure that an updated public notice detailing the identification of the claimants and the amounts quantified by M/s. Anil Sharma & Co. is published in newspapers in both English and the vernacular, including all editions of The Indian Express, The Economic Times, Navbharat Times (New Delhi), Sandesh (Gujarat), Rajasthan Patrika, The Hindu, and the Telegraph.
- (iv) The public notices of the constitution of the Disbursement Committee and the directions for disbursement of the amounts as well as the place and schedule of the commencement of the proceedings of the said Disbursement Committee shall also be issued in all newspapers mentioned above. All public notices shall also be posted on the website of this Court as well as on the website of the Official Liquidator.

Validity unknown

CO.PET. 191/1997 & connected

Page 27 of 30

Digitally Signed
By:DEVANSHU JOSHI
Signing Date:04.04.2024
19:20:04



2024: DHC: 3206



- (v) Steps towards issuance of public notices shall be completed within a period of four weeks from the date of release of this order.
- (vi) Draft notices shall be prepared by the Dy. Official Liquidator concerned which shall be approved by the Committee before publication.
- (vii) The claimants shall be informed by individual notices against recorded delivery.
- (viii) The Committee shall continue to operate its separate account in the name of CRB Capital Markets Ltd. (Disbursement Account) which shall now be managed under the signatures of Chairman and the Ld. ADJ (Member) of the Committee.
- (ix) The Chairman of the Committee is also authorised to engage and employ 1-2 staff members, which may be necessary for discharging the duties assigned hereby.
- (x) The Chairman of the Committee is also empowered to set down the procedure of the Committee to ensure that disbursement of the amounts in respect of the 1,719 claimants is effected to the rightful claimants in terms of the above directions. Payments to the claimants shall be effected by the RTGS mode. Any changes to the disbursement procedures or policies, as necessitated by operational requirements or further Court orders, shall be promptly communicated to all claimants through public notices, individual notices, and updates on the Court's and Official Liquidator's websites.
- (xi) The Committee is entitled to incur such reasonable expenditure as is necessary in order to ensure compliance with the directions of this Court from the funds of the Company. Accounts in this regard shall

Validity unknown

CO.PET. 191/1997 & connected

Page 28 of 30

Digitally Signed
By: DEVANSHU JOSHI
Signing Date: 04.04.2024
19:20:04



be maintained and placed before the Company Judge from time to time by way of a report.

- (xiii) If any further directions are necessary for the effective discharge of the Committee's duties, the Committee may inform either the Company and/or the Official Liquidator, who shall then move an appropriate application before the Company Judge.
- (xiv) In case the Official Liquidator or the Company receives any other or further claims of depositors, the same shall be placed and considered by the Committee who shall take an appropriate decision thereon. Such decision shall also be placed before the Company Judge for appropriate orders in terms of the directions contained in the present order.
- (xv) The Committee shall complete its proceedings within six months from the date of publication of the first public notice in terms of the present order.

47. Let the entire records be handed over to the new Committee on or before 30th April, 2024. The said new Committee shall start functioning from 1st May, 2024.

48. **Co. App. 384/2024** along with all the annexures may also be supplied to Id. Counsel for the RBI who may also file its response to the same.

49. The disbursements shall be re-commenced by the new Disbursement Committee and a further report shall be placed on record. Committee shall submit a report every two months in the present company petition.

50. **Co. App. 384/2024** in **Co. Pet. 251/2002**, **Co. App. 911/2005** and **Co. App. 1297/2010** in **Co. Pet. 191/1997** are disposed of in the above terms.

51. List on 19th July, 2024.



2024: DHC: 3206



CS(OS) 2039/1998

52. List on 19th July, 2024.

**PRATHIBA M. SINGH
JUDGE**

APRIL 10, 2024

dk/dn

(corrected & released on 24th April, 2024)

Validity unknown

CO.PET. 191/1997 & connected

Page 30 of 30

Digitally Signed
By: DEVAKISHU JOSHI
Signing Date: 24.04.2024
19:20:04