



Comp.A.No. 205 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Order reserved on	18.11.2022
Order pronounced on	13.02.2023

CORAM

The Hon'ble Mr. Justice **SENTHILKUMAR RAMAMOORTHY**

Comp. A.No.205 of 2022
in
Comp.A.No.165 of 2022
in
Company Petition No.57 of 1998

1. I.Selvam
2. S.Selvi

...Applicants

vs.

- 1.The Official Liquidator,
High Court, Madras
As Provisional Liquidator of
Maxworth Orchards (India) Limited,
High Court, Corporate Bhavan, 2nd Floor,
No.29, Rajaji Salai, Chennai – 600 001.
(In Provisional Liquidation).

2. Ms.D.Nagasaila Suresh
Administrator,
Maxworth Orchards(India) Limited,
(In Provisional Liquidation)
New No.14/1, old no.38/1,
Akbarabad second street,
Kodambakkam, Chennai – 600 024.

...Respondents



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PRAYER IN C.A.No.205 of 2022: This Application is filed under Order XIV rule 8 of O.S. rules r/w section 460(6) of the Companies Act r/w rules 9, 11(b), 19 of the Companies (Court) Rules, 1959 praying to grant an order of injunction restraining the 1st respondent, their officials, agents or servants or any one claiming through from in any way proceeding with the auction sale of the properties set forth in the schedule in the Judges summons, pending disposal of the Company Application No.165 of 2022 and to pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Applicants	:	Mr.K.V.Babu for M/s.K.R.B.Dhaaranee & R.Siddharth
Respondents	:	Mr.Pamarthi Sridhar Official Liquidator (R1) Mr.H.Karthik Seshadri for Mrs.Nagasaila Suresh, Administrator (R2)

COMMON ORDER

This company application is presented by persons claiming title to lands ad-measuring 53 acres 82 cents at various survey numbers in Keezhakadavetti village, Nanguneri Taluk, Tirunelveli District. They seek an injunction restraining the 1st respondent from proceeding with the auction sale pursuant to auction sale notice dated 05.05.2022 (the Sale Notice).



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submitted that the 1st applicant's brother gifted the lands acquired by him under Document No.3058/2006, by settlement deed dated 22.02.2008, Document No.1255/2008, to the 1st applicant. Learned counsel submitted further that all the sale deeds are registered in book I in the office of the Sub-Registrar, Nanguneri, and the total extent of land owned by the applicants is 75.98 acres. He also relied upon the joint pattas bearing nos. 1132, 720, 1174, 1175 and 717 in respect of the lands of the extent of 75.98 acres and contended that the company in liquidation (the Company) does not have any right over the lands. As regards the sale deeds in favour of Mr.Sreevalsan Nair and his wife, learned counsel submitted that the properties are in Keezhakaduvetti village in Tamil Nadu but the sale deeds were executed at Parassala, Kerala. According to him, this underscores the dubious nature of the transactions.

4. In response to these submissions, learned Administrator filed a common counter on behalf of the Official Liquidator. In the said counter, it was asserted that the Company acquired about 127.519 acres in Keezhakaduvetti and Kallikulam villages under 11 registered general powers of attorney (GPAs) in favour of G.Saravanakumar, an employee of the Company. Pursuant thereto, the Company took possession of the entire



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extent of land, conducted a survey and plotted the land in the form of 1 acre, $\frac{1}{2}$ acre and $\frac{1}{4}$ acre plots. The Company also registered sale deeds in favour of 106 customers and entered into maintenance agreements for orchard development with 111 customers.

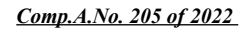
5. Mr.H.Karthik Seshadri, learned counsel for the administrator, contended that the Company entered into a sale agreement dated 27.04.1994 (the Sale Agreement) with Mr.Sreevalsan Nair for the purchase of a total extent of 58.53 acres for a total consideration of Rs.3,80,445/-. Subsequently, after receiving the entire sale consideration, the said Mr.Sreevalsan Nair and his wife, Mrs.Vanaja Nair (the Principals), executed a general power of attorney, registered as Document no. 185 of 1994 in Kerala (the GPA). Schedule A to the GPA describes three parcels of land ad measuring 37 acres 83 cents in Keezhakaduvetti village, which were acquired under three sale deeds (Document Nos.536/1994, 549/1994 and 1753/1994). Schedule B describes two parcels of land aggregating to 58 acres 53 cents. The said extent of land was acquired by the Principals through two sale deeds (Document Nos.678/1993 and 1753/1993) from 26 and 3 vendors, respectively. Learned counsel invited my attention to the sale receipts evidencing payment of consideration (typed set pages 18-22).



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6. In relation to the sale deeds executed in favour of the applicants, learned counsel for the Administrator contended that the alleged sales are void against the Company and the Official Liquidator because they were subsequent to the commencement of winding up and not *bona fide*. In order to underscore that the purported sale by the Reddiar family to the applicants was not in good faith, he drew my attention to GPA Document No.513 of 94 for an extent of 13.96 acres. He pointed out that the Reddiar family executed this GPA in favour of the employee of the Company in respect of lands in the same village, after receiving the sale consideration, and, therefore, were fully aware of the purchase of lands by the Company through its employees. He also submitted that an order of interim injunction restraining alienation or conveyance of the lands was operating against the Reddiar family, the applicants, and the 1st applicant's brother in C.A.No.680 to 683 of 2011.

7. As regards the decree in O.S.No.502 of 1996 by the Principal District Court, Nanguneri, learned counsel for the Administrator contended that it is an *ex parte* decree against the ten defendants therein. Neither the principals nor the Company were parties to the suit and, therefore, the decree is not binding on them. He also submitted that 35 survey numbers were listed therein. Survey numbers 1 to 20, 33 and 34, as listed therein, are



9. Before deciding any other question that arises for consideration in this application, it is pertinent to identify the lands forming the subject of this application. From the Judge's Summons to the application, it is evident that the application relates to 53.82 acres from and out of 75 acres 98 cents in Keezhakaduvetti village in Survey Nos.40/2, 40/4, 42/1, 42/2, 42/4, 43/1, 43/3, 45/6, 48, 50, 51/1, 52/10, 54, 55/2 and 56/4. According to the



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applicants, these lands were acquired under the following documents: (i) sale deed in favour of the 2nd applicant under Document No.3056/2006 for an extent of 47.22 acres of land in S.No.50 and 51/1; (ii) sale deed in favour of the 1st applicant under Document No.3057/2006 for an extent of 27.56 acres of land in S.Nos. 53/1, 52/10, 40/4, 42/2, 43/3, 42/1, 42/4; and (iii) sale deed in favour of the brother of 1st applicant, I.Jesuraja, under Document No.3058/2006 for an extent of 45.88 acres of land in S.No.40/2, 45/6, 48, 54, 55/2 and 56/4, which was followed by a settlement by the 1st applicant's brother in his favour by settlement deed dated 22.02.2008, Document No.1255/2008. The applicants also state that *patta* nos.1132, 1174, 720, 717 and 1175 relate to these lands. Therefore, the dispute is confined to the said 53.82 acres (Disputed Land).

10. On the one hand, learned counsel for the Administrator contended that Mr.Sreevalsan Nair and his wife purchased the land from the original owners and that the Company acquired the Disputed Land from them in 1993-1994 by paying full consideration under the Sale Agreement and the GPA. On the other, learned counsel for the applicants contended that they acquired the Disputed Land in 2006 and 2008 through three sale deeds executed by the Reddiar family and the settlement deed. There is no dispute



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that both the Company and the applicants assert title through two different sources. As outlined above, the first step is to identify whether the contesting parties are asserting title over the same lands.

11. In order to establish that its predecessors-in-title had valid title over the Disputed Land, the Company produced five parent documents. Each sale deed should be examined to identify the land conveyed thereunder. Sale Deed dated 01.02.1993, Document No.678/93 (First Parent Sale Deed), was executed by 26 vendors in favour of Mr.Sreevalsan Nair for a consideration of Rs.49,000/-. Schedule A of this Sale Deed relates to land in Parassala, Kerala; therefore, it is unrelated to the Disputed Land. Schedule B, however, relates to 43 acres 53 cents from and out of 75.99 acres in Keezhakaduvetti village in Survey Nos. 40/2, 40/4, 42/1 (undivided), 42/2 (undivided), 42/4(undivided), 43/1 (undivided), 45/6 (undivided), 48 (undivided), 50 (undivided), 51/1 (undivided), 52/10 (undivided), 54, 55/2 and 56/4. Out of the 15 survey numbers in the schedule to the Judge's Summons, except Survey No.43/3, all other survey numbers therein are mentioned in the First Parent Sale Deed, which does not, however, indicate the extent conveyed in each survey number although the aggregate extent (across all survey numbers) is specified.



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12. Sale Deed dated 08.03.1993, Document No.1753/93 (the Second Parent Sale Deed), was executed by 3 vendors in favour of Mr.Sreevalsan Nair for a consideration of Rs.15,000/-. Schedule A thereto relates to land in Parassala, Kerala, and is unrelated to the Disputed Land. Schedule B thereto, however, pertains to 15 acres out of 75.99 acres in Keezhakaduvetti village in Survey Nos. 40/2, 40/4, 42/1 (undivided), 42/2 (undivided), 42/4 (undivided), 43/1 (undivided), 43/3 (undivided), 45/6 (undivided), 48 (undivided), 50 (undivided), 51/1 (undivided), 52/10 (undivided), 54, 55/2 and 56/4. All these survey numbers correspond to the survey numbers in the Judge's Summons. The Second Parent Sale Deed, does not, however, indicate the extent conveyed in each survey number although the aggregate extent (across all survey numbers) is specified.

13. Sale Deed dated 01.02.1993, Document No.679/93 (the Third Parent Sale Deed), was executed by 21 vendors in favour of Mr.Sreevalsan Nair for a consideration of Rs.23,500/-. The Third Parent Sale Deed has three schedules. Out of the three, Schedules A and C pertain to lands in other villages and are irrelevant. Schedule B pertains to 21 acres 21 cents in Keezhakaduvetti village. It still remains to be considered whether the survey numbers tally. Schedule B of the Third Parent Sale Deed pertains to land in



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Survey Nos.52/1, 55/1, 57/2, 55/3, 52/7, 52/8, 51/2, 52/9, 52/5, 52/4, 58/4, 58/9, 52/6, 58/3, 58/2, 52/3, 58/5, 58/8 and 59/1. On comparison with the Judge's Summons, none of the survey numbers are common.

14. Sale Deed dated 08.03.1993, Document No.1754/93 (the Fourth Parent Sale Deed), was executed by 3 vendors in favour of Mr.Sreevalsan Nair for a consideration of Rs.4,500/-. Schedule A thereto pertains to land in Parassala, Kerala, which is unrelated to the Disputed Land. Schedule B, however, pertains to 4 acres of land in Survey Nos. 40/2, 40/4, 42/1 (undivided), 42/2 (undivided), 42/4(undivided), 43/1 (undivided), 43/3 (undivided), 45/6 (undivided), 48 (undivided), 50 (undivided), 51/1 (undivided), 52/10 (undivided) 52/10 (undivided) 54, 55/2 and 56/4. If this Schedule is compared with the Judge's Summons, all the survey numbers are common. The Fourth Parent Sale Deed, does not, however, indicate the extent conveyed in each survey number although the aggregate extent (across all survey numbers) is specified.

15. Partition Deed dated 05.07.1994, Document No.549/94 (the Parent Partition Deed), was executed by and between S. Subramanian, through his agent, Velaiah, and V.B.Vanaja. Under this document, 12 acres and 32 cents of land in Schedule B thereto were allotted to V.B. Vanaja. Only



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one survey number, Survey No. 52/10, is common to those in the schedule to the Judge's Summons. Additionally, there is an Agreement of Sale executed by Ms.Subbuammal in favour of Mr.Sreevalsan Nair (typed set pg: 82-83). Thus, the First, Second and Fourth Parent Sale Deeds pertain to land in the survey numbers forming the subject of the application. As regards the Parent Partition Deed, it is relevant only with regard to Survey No. 52/10. Learned Administrator stated that all the original documents are in the custody of the Company. Moreover, the *pattas* and encumbrance certificates indicating the name of Mr.Sreevalsan Nair are on record to prove the title of the Principals. Learned counsel for the applicants contended that the conveyances in favour of Mr.Sreevalsan Nair and his wife are dubious and not genuine because the sale deeds were registered at Parassala, Kerala. Each sale deed also includes land in Parassala, Kerala. These registrations took place in 1993. The Registration Act, 1908, was amended by Tamil Nadu Act 19 of 1997 with effect from 29.03.1997. After such amendment came into force, documents of conveyance registered outside Tamil Nadu, in respect of lands in Tamil Nadu, were deemed to be void. Further amendments were made later. Since the sale deeds were executed and registered prior to the entry into force of the above amendment, these transactions cannot be assailed on the ground



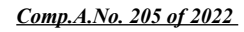
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that the relevant documents were registered in Kerala. Therefore, Mr.Sreevalsan Nair had valid title over the Disputed Land. The next step is to examine the schedules to the Sale Agreement and the GPA to ascertain whether they pertain to the Disputed Land.

16. As discussed earlier, the Sale Agreement relates to the sale of 58.33 acres by Mr. R. Sreevalsan Nair and his family to Maxworth Orchards (India) Limited, i.e. the Company, for a total consideration of 3,80,445/-. The recitals thereto trace the vendor's title through the First and Second Parent Sale Deeds. The schedule to the Sale Agreement is extracted below:

“All that piece and parcel of Agricultural land to an extent of 58.53 acres in survey Nos.40/2 40/4 42/1(undivided) 42/2(undivided) 42/4(undivided) 42/7(undivided) 43/1(undivided) 43/3(undivided) 45/6(undivided) 48(undivided) 50(undivided) 51/1(undivided) 52/10(undivided) 54 55/2 56/4 all situate at KEELAKADU VETTI VILLAGE, NANGUNERI TALUK, TIRUNELVELI-KATTABOMMAN DISTRICT within the Sub-Registration district of NANGUNERI and Registration District of TIRUNELVELI KATTABOMMA. This property is within the jurisdiction of NANGUNERI Panchayat Union.”

17. Turning to the GPA. The GPA was executed by V.P. Vanaja and R.Sreevalsan Nair to and in favour of G.Saravanakumar. The GPA expressly records that G. Saravanakumar is the Legal Executive of Maxwoth Orchards



18. In the manner set out above, Mr.Sreevalsan Nair acquired the Disputed Land in 1993 from the original land owners under the First and Second Parent Sale Deeds and, in turn, executed the Sale Agreement on 27.04.1994 in favour of the Company. Thereafter, the GPA was executed on 18.07.1994 in favour of the Legal Executive of the Company. Under the



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GPA, the agent was empowered to sell the property, receive consideration, appear before the sub-registrar, cause mutation, demarcate, delineate or partition any property, and to deliver possession of the properties mentioned in the Schedule A & B of the GPA. As is evident from the schedule to the GPA, Schedule A thereof pertains to land acquired under three documents, including the Fourth Parent Sale Deed and the Parent Partition Deed, but not to the Disputed Land. Schedule B thereof deals with 58.53 acres and the Disputed Land ad measuring 53.82 acres is a part thereof. There are six sale receipts on record. These receipts were issued by Mr.Sreevalsan Nair to the Company between 23.04.1994 and 12.12.1994 and evidence receipt of an aggregate sum of about Rs.7,96,670/-. There is even a full and final certificate certifying receipt of the full consideration towards the larger extent of 144.33 acres at Keezhakaduvetti village.

19. In *Suraj Lamp & Industries (P) Ltd. v. State of Haryana*, (***Suraj Lamps***)(2012) 1 SCC 656, which was decided on 11.10.2011, the Supreme Court concluded that a sale should ordinarily be in the form of a registered conveyance, but carved out an exception for *bona fide* transactions involving the execution of a GPA in favour of a developer. In relevant part, it was held as under in paragraphs 26 and 27:



“26....The said “SA/GPA/will transactions” may also be used to obtain specific performance or to defend possession under Section 53-A of the TP Act. If they are entered into before this day, they may be relied upon to apply for regularisation of allotments/leases by development authorities. We make it clear that if the documents relating to “SA/GPA/will transactions” have been accepted/acted upon by DDA or other developmental authorities or by the municipal or Revenue Authorities to effect mutation, they not be disturbed merely on account of this decision.

27. We make it clear that our observations are not intended to in any way affect the validity of sale agreements and powers of attorney executed in genuine transactions. For example, a person may give a power of attorney to his spouse, son, daughter, brother, sister or a relative to manage his affairs or to execute a deed of conveyance. A person may enter into a development agreement with a land developer or builder for developing the land either by forming plots or by constructing apartment buildings and in that behalf execute an agreement of sale or conveyances in regard to individual plots of land or undivided shares in the land relating to



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apartments in favour of prospective purchasers. In several States, the execution of such development agreements and powers of attorney are already regulated by law and subjected to specific stamp duty. Our observations regarding “SA/GPA/will transactions” are not intended to apply to such bona fide/genuine transactions.”

Upon examining the parent documents, the Sale Agreement, the GPA and the receipts, I conclude that this transaction falls within the exceptions carved out in ***Suraj Lamps***.

20. Even otherwise, one more aspect remains to be examined: can the GPA be construed as coupled with interest? As per section 202 of the Indian Contract Act, 1872, an agency coupled with interest cannot be revoked or terminated without the express consent of the agent. There is no pleading that the GPA was revoked. The interest of the agent in the agency may be inferred from the language of the document creating the agency or from the course of relationship/dealing between the parties. Here, the GPA has to be read along with the Sale Agreement and receipts before the Court. If read cumulatively, it leads to the conclusion that the Company paid the



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full consideration and, therefore, acquired interest in the property forming the subject of the GPA. Hence, the GPA was coupled with interest.

21. Section 536(2) of the Companies Act, 1956 (CA 1956) deals with the disposition of the property, including actionable claims, of a company after the commencement of winding up. The said provision is set out below:

“536(2) In the case of a winding up by or subject to the supervision of the Court, any disposition of the property (including actionable claims) of the Company, and any transfer of shares in the company or alteration in the status of its members, made after the commencement of the winding up, shall, unless the Court otherwise orders, be void.”

In this case, the winding up petition was presented by a creditor of the Company on or about 24.02.1998. An Administrator was appointed on 12.02.2001 and was vested with all powers of the Official Liquidator by order dated 06.02.2006. By order dated 17.09.2010, the Official Liquidator was appointed as Provisional Liquidator. Consequently, by virtue of the legal fiction incorporated in Section 441(2) of CA 1956, the winding up was deemed to commence on or about 24.02.1998. As a corollary, Section 536(2)



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of CA 1956 became applicable and all dispositions of property, including actionable claims, of the Company and transfers of shares or alteration in the status of members in the Company, if effected after 24.02.1998, would be void unless validated by the Court.

22. In the order dated 23.01.2023 in Comp.A. No.3 of 2021, I concluded that a disposition of an asset in respect of which an agency coupled with interest was created in favour of the Company should be construed as a disposition of an actionable claim because it has the effect of denuding the contract of agency of all content and meaning. In relevant part, it was held therein as under:

“17. The sale deed dated 22.01.2021 was unquestionably executed after 24.02.1998. The only question on which there is scope for debate is whether the 3.27 acres of land may be construed as the property of the Company. From the text of Section 536(2), it is evident that Parliament intended that the expression 'property of the company' should be construed widely. This is abundantly clear from the use of the expression “property (including actionable claims) of the company”. The object and purpose of Section 536(2) is to ensure that the assets of a company are preserved for the general body of creditors upon commencement of winding up. Thus, the above expression is intended to embrace not only immovable and movable property but also intangible property in the form of



actionable claims or choses in action, which are property rights that can be exercised only by initiating action to enforce those rights as opposed to measures to take physical possession of tangible property. The expression “actionable claims” is defined in Section 3 of the Transfer of Property Act, 1882 (the TP Act) as: “means a claim to a debt, other than a debt secured by mortgage of immoveable property or by hypothecation or pledge over moveable property, or to any beneficial interest in moveable property not in the possession, either actual or constructive of the claimant, which the Civil Courts recognise as affording grounds for relief, whether such debt or beneficial interest be existent, accruing, conditional or contingent”. Section 137 of the TP Act expressly excludes stocks, shares, debentures, negotiable instruments and the like from the scope of Chapter VIII of the enactment. From the above, it is evident that the definition of “actionable claims” in Section 3 of the TP Act is not exhaustive and, in my view, does not whittle down the ambit of the expression “actionable claims” in Section 536(2) of CA 1956. Given the object and purpose, the said expression should be construed, in the unfettered common law sense, as taking within its fold rights or causes of action, debts, rights under a contract, securities, documentary intangibles such as negotiable instruments, intellectual property and leases.

18. I concluded earlier that the GPA was coupled with interest and, therefore, could not have been revoked by the principals. The material on record leads to the conclusion that 70 registered powers of attorney were executed in favour of



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Pulivaganan in respect of the entire 106.33 acres of land constituting the Max-Nagampatti Project. This included the GPA in respect of 3.57 acres in S.F.No.287/4. When a contract of agency (in relation to 3.57 acres of land of which 0.25 acres was conveyed thereunder) coupled with interest remains in force and such agency is for the benefit of the Company, even if the Company has not perfected title through a registered conveyance, at a minimum, the Company has the right to enforce its property rights under the contract of agency. A disposition of the rights under such contract of agency would be a disposition of actionable claims. The disposition of the entire remaining extent of 3.27 acres of land forming the subject of the contract of agency has the effect of robbing the agency of all value and content. Such disposition has taken place about 23 years after the commencement of winding up. A fortiori, it is a disposition of the property of the Company within the meaning of Section 536(2) of CA 1956. Therefore, such disposition is void unless validated.”

In this case, there is reasonable basis to conclude that the Disputed Land is an asset of the Company. In any event, at a minimum, the rights of the Company under the GPA qualify as an actionable claim and any disposition thereof would also be void. Considering the fact that the Sale Agreement and GPA in favour of the Company were executed in 1994, whereas the sale deeds in favour of the applicants were in 2006, the pertinent question is: whether the sale deeds in favour of the applicants are void in terms of



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Section 536(2) of CA 1956. The relevant documents are revisited to answer this question.

23. The alleged title claim of the applicants is through the Reddiar family. The applicants produced the plaint, judgment and decree in O.S.No.502 of 1996 as evidence before this Court. This suit was filed by the Reddiar family against Thomas Zacaria and 9 others praying to grant a decree for declaration of joint title and to restrain the defendants from interfering with the possession of the plaintiffs. The same was allowed on the following lines:

“தபசில் சொத்துக்களைப் பொறுத்து வாதிகள் கூட்டுப்பங்காளிகள் என விளம்புகை செய்வதன் மூலமாய் தபசில் சொத்துக்களை வாதிகள் அனுபவிப்பதை பிரதிவாதிகளோ அவர் கையாட்களோ ஏஜெனட்களோ யாதொரு இடைஞ்சலும் செய்யக்கூடாதென நிலையுறுத்துக்களைப் பிறப்பிக்கக்கோரியும் மற்றும் வழக்குச் செலவும் கிடைக்க உத்தரவிடக்கோரி வாதிகள் வழக்கு தாக்கல் செய்யப்பட்டுள்ளது.

2. வாதிகள் தரப்பு நீரூபண ஆணையுறுதிப்பத்திரம் தாக்கல் செய்து பதியப்பட்டது, வா.சா.ஆ.1 முதல் 6 வரை குறியிடப்பட்டன. எனவே இந்த வழக்கில் வாதிகள் கோரியபடி செலவுத் தொகையுடன் தீர்ப்பாணை பிறப்பித்து உத்தரவிடப்படுகிறது.

2006-ம் ஆண்டு பிப்ரரித் திங்கள் 24ம் நாள் இன்று என்னால் இந்நீதிமன்றத்தில் அவையறிய பகரப்பட்டது.

ஓம்.ஆர்.செல்வநாயகி கண்ணன்,
மாவட்ட உரிமையியல் நீதித்துறை நடுவர்,
நான்குனேரி.

வாதி தரப்பு சான்றாவணங்கள்.



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1. 30.06.1912 - சங்கு ரெட்டியார் மக்கள் செய்துகொண்ட பாகப்பத்திரம். சபரி நகல்
2. 31.08.1994 - நான்குனேரி தாசில்தார் வழங்கிய 10(1) சிட்டா பப்ளிக் நகல்.
3. 22.08.1994 - தபசிச் சொத்துக்களுக்கு வாதி வகையறா செலுத்திய தீர்வை ரசீதுகள் (2) - அசல்.
4. 09.06.1994 - கிராம நிர்வாக அதிகாரி சான்றிதழ் - அசல்..
5. 19.08.1994 - வாதிகள் பிரதிவாதிகளுக்கு அனுப்பிய நோட்டீஸ் கை நகல்.
6. 26.08.1994இ 26.08.1994 - 1, 6, 2 பிரதிவாதிகள் நோட்டீசை 22.08.1994 பெற்றுக்கொண்டதற்கான ஒப்புதல் அட்டைகள் (3) அசல்”

The schedule in the suit covers lands of the extent of 65.61 acres. From and out of the above, 43.1 acres is within the scope of this application. However, it is to be noted that it was an *ex parte* decree and neither the Principals nor the Company were joined as parties to the suit. In fact, material facts relating to the sale deeds in favour of the Principals, the Sale Agreement in favour of the Company and the GPA were suppressed from the Court. The only evidence of title was in the form of the partition deed dated 30.06.1912 by Mr.Sangu Reddiar and family. Undoubtedly, therefore, the decree is not binding on the Company.

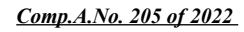
24. Moreover, the *pattas* placed on record by the applicants, namely, *patta* nos.717, 1132, 1174 & 1175, reflect the names of the Principals for the relevant survey numbers. GPA dated 10.09.1994, Document No.513/1994, is also on record. This GPA was executed by



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Paramasiva Reddiar, Alwar, V. Muthuswamy Reddiar, V.Perumal Reddiar and Alagiayamanaval Reddiar, all members of the Reddiar family, in favour of G. Saravanakumar, Legal Executive of the Company. The schedule to this GPA discloses that, out of 13.96 acres, 2.14 acres (that is, the 1/36th portion of the undivided property of 75.99 acres) relates to the same survey numbers as the Disputed Land. Therefore, the *pattas* evidence that the predecessors-in-title of the applicants had knowledge of the rights of Mr.Sreevalsan Nair over the Disputed Land. Since the patta is a public document, it may be inferred that the applicants also had knowledge of the same. GPA No.513/1994 evidences that within a few months of the execution of the GPA by Mr.Sreevalsan Nair and his wife in favour of the Legal Executive of the Company, the predecessors-in-interest of the applicants also executed a GPA in favour of the said Legal Executive in respect of a smaller extent of 2.14 acres in the same survey numbers at Keezhakaduvetti village.

25. The injunction order in Comp.A.Nos.680 and 682 of 2011 should be examined next. In those applications, the Reddiar family were the 1st to 4th respondents, the 1st and 2nd applicants herein were the 15th and 16th respondents, and the brother of the 1st applicant herein was the 17th respondent. The order of injunction was passed against the 1st to 23rd



26. The sales in favour of the applicants in 2006 were undoubtedly *fide*. Such sales were detrimental to the interest of the Company and therefore, cannot be validated. Consequently, the sale deeds dated 2006 are declared void and the *pattas* issued on that basis are also void. However, the same are open to the applicants to make claims against their respective owners as a consequence of this order.

27. For reasons set out above, Company Application No.205 of 2022 is dismissed without any order as to costs. As a corollary, the Official



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Liquidator shall take necessary action to mutate the title and revenue records to reflect the Company's ownership of the relevant immovable property and to conclude the auction sale.

13.02.2023

Index : Yes
Internet : Yes
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SENTHILKUMAR RAMAMOORTHY, J.

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in
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