

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
SECOND APPEAL NO.66 OF 2026
WITH
INTERIM APPLICATION NO.8896 OF 2024**

P. Prabhakaran ... Appellant
versus
Ashok Kisanda Sugandhi (deceased)
thorugh legal heirs Shobha Ashok
Sugandhi and Ors. ... Respondents

Mr Prasad B. Kulkarni, for Appellant.
Mr. Narendra V. Walawalkar, Sr. Advocate with Mr. Suresh M. Sabrad with Mr.
Amey C. Sawant for Respondent Nos.1 to 4.

SWAROOP Ms. Neha M. Zande with Ms.Eshwaree Kudalkar, for Respondent No.5.
SHARAD
PHADKE

CORAM: N.J.JAMADAR, J.

DATE : 8 SEPTEMBER 2026

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SWAROOP
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Date: 2026.09.08
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P.C.

1. Heard the learned Counsel for the parties.
2. The following substantial questions of law arise for consideration :
 - (i) In view of the settled position of law that, the directors and shareholders are not the owners of the property of the company incorporated under the Companies Act, 1956, could the legal heirs of the deceased Plaintiff, who had executed the Sale Deed dated 19 June 2001, in the capacity of the director of the Company, have prosecuted the suit for a declaration that the said sale deed was null and void and not binding on the Plaintiff ?

(ii) Whether the learned District Judge committed an error in placing the burden of proof on the defendants and misconstrued the evidence to arrive at the finding that the sale deed dated 19 June 2001 whereunder the property of the company was purportedly sold, was null and void, and that resulted in a mis-carriage of justice ?

3. Issue notice to the Respondents for final disposal, returnable on 28 October 2026.

4. Mr. Walawalkar, learned Counsel, waives service on behalf of Respondent Nos.1 to 4 and Mr. Zanje waives service on behalf of Respondent No.5.

5. Call R and P.

6. Printing dispensed with.

7. The Appellant shall file a private paper book within a period of six weeks.

8. The parties are put to notice that an endeavour will be made to hear and decide the appeal finally.

Interim Application No.8896 of 2024

9. The Second Appeal is admitted by framing aforementioned substantial question of law. In the event, the Respondents / Plaintiffs enter into any transactions on the basis of the impugned judgment and decree passed by the District Court, the Appellant would suffer irreparable loss. At the same

time, if the Appellant deals with the suit property on the basis of the title purportedly acquired under the Sale Deed dated 19 June 2001, which has been declared null and void by the District Court, the Respondents – Plaintiffs may be left in the lurch in the event the appeal is dismissed.

10. For the foregoing reasons, till the final disposal of the appeal, the parties are required to be restrained from transferring, alienating, disposing or otherwise creating third party rights in the suit property.

11. Hence, the following order :

ORDER

(i) The execution and operation of the impugned judgment and decree 21 December 2022 shall remain stayed till the final disposal of the appeal.

(ii) The Appellant shall not transfer, alienate, dispose of or otherwise create any third party interest in the suit property, till the final disposal of the appeal.

(iii) Interim Application stands disposed.

(N.J.JAMADAR, J.)