



O.S.A.Nos.181 to 183 of 2012 &
315 to 318 of 2013

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 07.08.2023

CORAM:

THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN
and

THE HONOURABLE MR. JUSTICE V.LAKSHMINARAYANAN

O.S.A.Nos.181 to 183 of 2012, 315 to 318 of 2013
and M.P.Nos.1, 1, 1 of 2012 & 1,1,1,1 of 2013
and M.P.No.1 of 2014

O.S.A.Nos.181 to 183 of 2012

Sunkara Venkateshwara Rao

.. Appellant

Vs.

1. Maxworth Orchards (India) Limited
No.9, Mahalingam Main Road
Mahalingapuram, Nungambakkam
Chennai-34, Represented by its
Administrator/Provisional Liquidator
Mr.K.Alagiriswami

2. P.Ananthalakshmi

3.Koduru Venkateswara Prasad
Flat No.104, 1st floor
MCH No.13-1-212/104
Sri Balaji Nilayam
Balaji Swarnapuri Colony
Moti Nagar, Hyderabad-500 018.



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4. Vajra Farms & Engineers
A Registered partnership firm
Represented by its General Power of Attorney
Shri Raghujie
S/o. S.S.Ganesh
Flat No.3, 1st floor
3-4-768, Canara Apartments
Barkathpura, Hyderabad-27.

.. Respondents

5. A.Subbiah
**(R5 impleaded vide order of this Court
dated 07.08.2023 in M.P.No.1 of 2014
in O.S.A.No.181 of 2012)**

.. 5th respondent in
O.S.A.No.181 of 2012

Common Prayer in O.S.A.Nos.181 to 183 of 2012: Original Side
Appeals filed under Order XXXVI Rule 9 of O.S. Rules read with Clause
15 of Letters Patent, against the order passed by His Lordship Mr. Justice
P.Jyothimani made in Company Application Nos.1937 to 1939 of 2003 in
C.P.No.57 of 1998, dated 17.09.2010.

O.S.A.Nos.315 to 318 of 2013

Penmatsa Parimala

.. Appellant

vs.

1. Maxworth Orchards (India) Limited
No.9, Mahalingam Main Road
Mahalingapuram, Nungambakkam
Chennai-34, Represented by its
Administrator

2.Kamlesh Lohade



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3.P.Ananthalakshmi

4.Vajra Farms & Engineers
Represented by Managing Partner
R.Arun Kumar
5-9-22 Shapurwadi
Hyderabad – 500 001
State of Andhra Pradesh.

5. Koduru Venkateswara Prasad

6. The Mandal Revenue Officer
Ramachandrapuram, Medak District
State of Andhra Pradesh.

.. Respondents

7. T.Mohan (alias) Dhavamani

8. D.Thirumagal

.. Respondents 7 & 8
in O.S.A.No.315/2013

**(R7 and R8 impleaded vide order of this Court
dated 07.08.2023 made in C.M.P.No.20133
of 2017 in O.S.A.No.315 of 2013)**

Common Prayer in O.S.A.Nos.315 & 316 of 2013: Original Side Appeals filed under Order XXXVI Rule 9 of O.S. Rules read with Clause 15 of Letters Patent, against the fair and decretal order passed by His Lordship Mr. Justice P.Jyothimani made in Company Application No.1748 & 1749 of 2005 in C.A.No.63 of 2001, dated 17.09.2010.

Common Prayer in O.S.A.Nos.317 & 318 of 2013: Original Side Appeals filed under Order XXXVI Rule 9 of O.S. Rules read with Clause 15 of Letters Patent, against the fair and decretal order passed by His Lordship Mr. Justice P.Jyothimani made in Company Application No.319 & 320 of 2006 in C.P.No.57 of 1998, dated 17.09.2010.



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In O.S.A.Nos.181 to 183 of 2012

For Petitioner : Mr.Kumarpal R.Chopra

For R1 : Mr.Karthik Seshadri
for M/s.Iyer & Thomas

In O.S.A.No.181 of 2012

For R4 : Ms. Rama Brahma
for Mr.P.Subba Reddy
(newly impleaded party)

In O.S.A.Nos.315 to 318 of 2013

For Appellants : Mr.N.Surya Senthil
for M/s.Surana & Surana

For R1 : Mr.Karthik Seshadri
for M/s.Iyer & Thomas

For R2, R3
& R6 : No appearance

In O.S.A.No.315 of 2013

For R7 & R8 : Mr.J.Saravanakumar
(newly impleaded parties)

COMMON JUDGMENT

(Judgment of the Court was delivered by R.SUBRAMANIAN,J.)

All these seven appeals have been filed at the instance of the purchasers of the immovable properties, whose purchases were made subject matter of the proceedings before the Company Court at the



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instance of the Administrator, who was also nominated as a provisional liquidator.

2. The Company namely, M/s.Maxworth Orchards India Limited came up with the novel project of developing Orchards through community farming. The Company accumulated lands in various places across the country. In certain cases, the purchases were made in the names of the employees of the Company and the lands were plotted out in to small bits of various extents. Those small bits that were plotted out were sold to gullible buyers with the promise of developing Orchards in the lands. However, down the line, the project did not take off and the Company eventually landed in the Company Court for winding up.

3. In the winding up proceedings, a Senior Advocate of this Court was appointed as an Administrator and he took over the affairs of the Company, since he found that vast extent of immovable property has been purchased and employees of the Company were appointed as Power of Attorney Agents to deal with the properties, in order to protect the properties of the Company from being swindled by the employees, who



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had by then realised that the Company had no future, the Administrator sought for prohibitory injunction against the employees as well as some of the purchasers from alienating or encumbering the properties. Simultaneously, the applications were also moved for cancellation of various sale deeds that were allegedly executed by the employees of the Company based on the Powers of Attorney or taking advantage of the fact that the sale deeds stood in their name. Such applications came to be allowed by this Court on various grounds.

4. As far as these batch of appeals are concerned, it relates to about 27 acres of land in Kollur and Osman Nagar Villages of Ramachandrapuram Mandal, erstwhile Medak District of Andhra Pradesh, now in Sangareddy District of Telangana.

5. Challenge by the Administrator was to the sale deeds dated 17.04.2003 registered as document Nos. 2409 & 2410 of 2003 and the sale deeds dated 13.08.2003 registered as document Nos.7314 to 7317 of 2003. Injunction was also sought for from restraining the respondents, who had claimed title under those sale deeds from interfering with the



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possession of the Company. These application numbers were C.A.Nos.1937 to 1939 of 2003, 1748 & 1749 of 2005, 301 to 303 of 2006, 319 and 320 of 2006 in C.P.No.57 of 1998. In C.A.Nos.1937 of 2003, 303 of 2006, 1748 of 2005, 319 and 320 of 2006, the prayer sought for was for injunction restraining the respondents from interfering with the possession of the Company. In the other applications, the prayer sought for was to set aside the sale deeds referred to supra. All these applications came to be allowed by a common order of this Court dated 17.09.2010, leading to these appeals by the purchasers.

6. Pending these appeals, a third party has filed an application in M.P.No.1 of 2014 in O.S.A.No.181 of 2012 seeking to implead, contending that Yenna Rameshkumar, the vendor has purchased the properties, the subject matter of the applications referred to above, from one Ananthalakshmi the owner, under a sale deed dated 18.12.1995 registered as document No.5702 of 1995. It is his further claim that the said Yenna Ramesh Kumar had sold the said property to the petitioner in M.P.No.1 of 2014, A.Subbiah on 25.05.2005 under the registered sale deed bearing document No.5544 of 2005. It is also claimed that the suits



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filed by the appellant in O.S.A.Nos.181 to 183 of 2012 in O.S.Nos.71 of 2004 (for declaration of title and for consequential injunction) and 463 of 2008 (for permanent injunction) came to be dismissed by the trial Court viz., the Junior Civil Judge, Medak District, Andhra Pradesh, on 02.05.2016 and 21.05.2016 respectively. It is also stated that the appeals against the said judgments and decrees are pending before the learned District Judge at Sangareddy District.

7. In this background, we will have to now examine the correctness of the order of the Company Court in declaring the sale deeds allegedly executed by Ananthalakshmi in favour of the appellant in O.S.A.Nos.181 to 183 of 2012 in the year 2003. No doubt, the Company Court has got very wide jurisdiction under Section 446 of the Companies Act, but such jurisdiction cannot and will not extend to the properties that did not belong to the Company Court on the date, when the winding up petition was admitted. Admittedly, in the case on hand, the winding up petition came to be admitted on 14.02.1998. So the crucial date would be 14.02.1998. If it is claimed that the property did not belong to the Company on the date when the winding up petition came to be admitted



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or one year prior to that, the Company Court will not have jurisdiction to deal with sales relating to such properties.

8. The fact that the sale deeds of the year 1995 were executed by Ananthalakshmi is not disputed by the counsel for the Administrator. Therefore, the Administrator proceeded on the basis that the Company had no title to the property on the date when the winding up petition was initiated. Moreover, the correctness or validity of the sale deeds executed by Ananthalakshmi in the year 1995 on the one hand and those sale deeds allegedly to have been executed by Ananthalakshmi in the year 2005 on the other hand will have to be decided by the competent Civil Court and not by the Company Court.

9. Unfortunately, none of the parties before the Company Court including Ananthalakshmi herself, who filed an affidavit stating that she had not executed the sale deeds in the year 2003 disclosed the fact that Ananthalakshmi had executed the sale deeds with reference to these properties even in the year 1995. This led to the Company Court proceedings on the assumption that the properties belonged to the Company on the crucial date.



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10. Now it is brought to our notice that the Company itself was not the owner of the property on the crucial date and Ananthalakshmi in whose name, the original sale deed dated 16.11.1995 stood is said to have sold the property even in December 1995 and March 1996. Therefore, the Company Court did not have jurisdiction to deal with these properties or the alienations. Admittedly, a Court of competent jurisdiction is seized of the matter. It is for that Court to decide on the validity of the sale deed. Therefore, we are of the opinion that the order of the Single Judge setting aside the alienation of the year 2003 cannot be sustained as it is beyond the jurisdiction of the Company Court.

11. In view of the above, the following are our conclusions:

(i) All these appeals will have to be necessarily allowed and the order dated 17.09.2010 setting aside the sale deeds of the year 2003 will stand set aside.

(ii) Impleading petition in M.P.No.1 of 2014 in O.S.A.No.181 of 2012 will stand allowed.

(iii) We make it clear that we have not decided the validity of either the sale deeds of the year 1995 or the sale deeds of the year 2003. We



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have only gone on the jurisdiction of the Company Court to set aside the sale deeds, when there are rival claims to the property by the persons, who had purchased the property.

(iv) The learned District Judge, Sangareddy District, where the appeals are pending, will decide the matter on the evidence that placed before it, without being influenced by any of the observations contained in the order of the Single Judge, which has been set aside by us today or in this judgment.

12. All the appeals stand allowed. The parties will bear their own costs. Consequently, connected Miscellaneous Petitions are closed.

(R.S.M., J) (V.L.N., J)

07.08.2023

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**R.SUBRAMANIAN,J.
and
V.LAKSHMINARAYANAN,J.**

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To

1. The Assistant Registrar
Original Side
High Court, Chennai.

2. The District Judge
Sangareddy District.

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and M.P.Nos.1, 1, 1 of 2012 & 1,1,1,1 of 2013, M.P.No.1 of 2014

07.08.2023
(2/2)