



Comp.A.Nos. 359 & 360 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Order reserved on	12.07.2023
Order pronounced on	23.08.2023

CORAM

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

Comp. A.No.359 & 360 of 2021
in
Company Petition No.57 of 1998

1. Ebrahim Mohamed Kulam
 2. Rafeeka Seyed Kulam
 3. Mohamed Thamby Kulam
 4. S.A.Noorul Ameena
 5. Habeeb Syed Mohamed Mukrim
 6. H.S.Ayesha Fathima
 7. Habeeb Syed Sayeed Aslam
- ...Applicants

(Applicants 2 to 7 impleaded
as per order dated 7.6.2023 in
Comp.A.Nos.262 & 263 of 2023)

v.

1. The Official Liquidator,
High Court, Madras
As Provisional Liquidator of
Maxworth Orchards (India) Limited,
(in Provisional Liquidation),
Corporate Bhavan, 2nd Floor,
No.29, Rajaji Salai, Chennai – 600 001.
2. Ms.D.Nagasaila Suresh
Administrator,
Maxworth Orchards(India) Limited
(in Provisional Liquidation),
No.1A, Akbarabad First Street,
Kodambakkam, Chennai – 600 024.

...Respondents



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PRAYER IN C.A.Nos.359 & 360 of 2021: These applications are filed under Order XIV Rule 8 of O.S. Rules r/w Rules 9, 11(B) of the Companies (Court) Rules, 1959 praying to (a) set aside the auction sale notice dated 05.12.2021 with respect to the scheduled property belonging to the Applicant, in the matter of M/s.Maxworth Orchards India Limited; (b) grant stay of the sale notice dated 05.12.2021 with respect to the scheduled property belonging to the Applicant, in the matter of M/s.Maxworth Orchards India Limited.

Applicants	:	Mr.P.H.Arvinth Pandian for Ms.Selvi George
Respondents	:	Official Liquidator (R1) Mr.H.Karthik Seshadri for Mrs.Nagasaila Suresh, Administrator (R2)

COMMON ORDER

These applications were originally presented by the first applicant claiming title to lands ad-measuring 28.11 acres (Disputed Land) in Survey Nos.57/1A2, 57/1A3, 57/1B1B, 58/1, 58/2A, 58/2B, 58/5B, 59/2A1, 59/2A2, 59/3, 60/1, 60/2, 61/2A1D, 61/2B, 61/2C, 62/1A2, 62/1C1, 62/1C2, 62/1C3, 62/1C4, 62/1C5, 62/3, 62/4A1, 62/4A2, 62/4B, 76/2, 77/1, 77/2, 77/3, 78/1, 78/2, 227/2, 228/1A, 228/1C, 228/2A, 228/2C, 228/3, 228/4, 229/1A, 229/1C, 229/2A, 229/2B, 229/3, 230/1, 231/1A, 230/2, 231/2, 241/2, 241/3B, 242/1A and 242/1C, Nangaimozhi village, Tuticorin



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Registration District, Udankudi Sub-registration District. In Company

Application No.359 of 2021, the applicant seeks to set aside the auction sale notice dated 05.12.2021 (the Sale Notice) and in Company Application No.360 of 2021, an interim stay of the auction sale is prayed for. Without seeking an amendment, in the rejoinder and written submissions, the first applicant included Survey Nos.56/2 and 56/3A and claimed title to 35.87 acres. Because the sale deeds that were relied on by the first applicant also disclosed the names of purported co-owners (applicants 2-4 and the late Mr.Sayed Abdul Kader), the purported co-owners and legal heirs of the late Mr.Sayed Abdul Kader were impleaded as applicants 2-7 by order dated 07.06.2023 and provided an opportunity of being heard.

2. The applicants assert title to the schedule mentioned property through the following two sale deeds executed by Indian Integrated Energy Limited (IIEI) in favour of applicants 1-4 and the late Mr.Sayed Abdul Kader: (i) sale deed bearing Document No.829 of 2013 dated 17.04.2013; and (ii) sale deed bearing Document No.830 of 2013 dated 17.04.2013. The applicants also rely on sale deed bearing Document No.1062 of 2013 dated 16.05.2013, which is in favour of the first applicant; and a fourth sale deed bearing Document No.171 of 2014 dated 29.01.2014, which was executed



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by other land owners in favour of the first applicant's son. Learned senior counsel, Mr.Arvinth Pandian, made submissions by relying on the above documents. He further submitted that some parent documents through which IIEL acquired title are on record as Document Nos.1218, 1641, 1738, 1740 and 1741 of 2013. He also relied upon the *pattas*, *adangal*, tax receipts, and income tax documents to contend that the company in provisional liquidation (the Company) does not have any right over the Disputed Land. Upon being impleaded subsequently, applicants 2-7 did not make additional submissions but adopted the submissions of the first applicant.

3. In response to these submissions, learned Administrator filed a common counter on behalf of the Official Liquidator (the OL). In the said counter, it was asserted that the Company acquired about 119.105 acres in Nangaimozhi village by way of 46 registered general powers of attorney (GPA) and two sale deeds in favour of an employee of the Company. Pursuant thereto, the Company took possession of the entire extent of land, conducted a survey and plotted the land in the form of 1 acre, ½ acre and ¼ acre plots and created provision for infrastructure in the Nangaimozhi project. The Company also registered sale deeds in favour of 107 customers



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for an extent of 58 acres and entered into maintenance agreements for orchard development with 359 customers.

4. Mr.H.Karthik Seshadri, learned counsel for the Administrator, contended that the Company entered into a Memorandum of Understanding (MOU) with a local intermediary, Mr.T.V.Pattan, on 11.05.1995 for the purchase of land in Nangaimozhi village. He further elaborated that, in accordance with the MOU, the Company paid money to the original owners (farmers) in the village and obtained GPAs in the year 1995 in favour of D.Sankaran (GPA holder), an employee (employee code:2354) of the Company in its Madurai office. Learned counsel also invited my attention to the receipts evidencing payment of consideration to the original land owners and the deeds of undertaking for handing over possession.

5. 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*. Learned Administrator prepared and submitted detailed correlation charts (pages 369-371 of the typed set dated 06.01.2022). One correlation chart per sale



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deed relied on by the applicants was provided and each chart contains details of the GPAs in which the same survey numbers are dealt with. The said charts also contain details of the extents already conveyed through these GPAs to customers of the Company and the unsold extent. On the basis of the chart, he contended that it is discernible that the Company registered about 58 acres of land in favour of the customers of the Company and the remaining extent was brought for auction sale. Approval for the auction sale of the extent of 61.11 acres, including the Disputed Land of 28.11 acres, was sought and obtained from this Court in C.A.No.297/2021 and the Disputed Land was listed as the 24th item in the Sale Notice.

6. Learned counsel for the Administrator contended further that the encumbrance certificate placed on record by the applicants only covers the period from 01.06.2003 to 25.12.2021. If encumbrance certificates from 1995 onwards are examined, he contended that entries revealing purchase by 107 customers under registered sale deeds executed by the Company through the GPA holder would be contained therein. According to him, the applicants, therefore, had the means to ascertain the existence of prior conveyances from public records by exercising reasonable due diligence



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before purchasing the lands in 2013. Hence, the sale deeds are null and void.

7. Learned counsel also submitted that an order of interim injunction restraining alienation or conveyance of the lands was operating against the GPA holders in C.A.No.740 of 2003. Despite the operation of such order, it was stated that the GPA holder had committed fraud by selling or re-selling 86.86 acres of land, including the 58 acres sold earlier through such GPA holder to the Company's customers, under registered sale deeds executed in 2005-2006. Further, it was stated that the OL took possession of the Nangaimozhi properties on 22.04.2011 and the sale transactions in favour of the applicants, which allegedly took place in 2013, are void against the Company and the OL.

8. By way of rejoinder, learned senior counsel for the applicants contended that the GPA holder executed sale deeds in favour of Mr.James Moses Paul, Mrs.Glory Nesa Bai, and others. These buyers executed sale deeds in favour of IIEL after receiving full consideration, and IIEL, in turn, executed sale deeds in favour of the applicants. He further stated that none of the registered documents reflected the name of the Company. He also



submitted that the GPA holder is not before the Court and, therefore, there is no denial of receipt of money by the GPA holder as consideration for executing the transfer documents in favour of the predecessors-in-interest of the applicants. Additionally, he contended that the injunction order of this Court was not communicated to the jurisdictional registering authority. Therefore, the purchases of the applicant were *bona fide* and valid in law.

9. Learned senior counsel for the applicants cited *Clifford George Pinto v. M.R.Shenava & others (Clifford George)*, AIR 2005 Kar 167, to contend that the Company is bound by the acts of the GPA holder under Section 237 of the Indian Contract Act, 1872 (the Contract Act); *Kudithi Lakshma Reddy v. Gantla Satti Reddy & Others (Lakshma Reddy)*, AIR 2002 AP 418, to contend that an injunction becomes inoperative in view of Order XXXIX, Rule 3-A of the Civil Procedural Code, 1908, if the application is not disposed of within 30 days; and *A.Venkatasubbiah Naidu v. S.Chellappan & Others (Venkatasubbiah Naidu)*, (2000) 7 SCC 695, to contend that a disobedient beneficiary of an order cannot be heard to complain about the alleged disobedience by another party.



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10. Upon taking into consideration the rival contentions and material documents, it should be noticed and recorded, at the outset, that Sale Deeds dated 17.04.2003 bearing Document Nos.829 and 830 of 2013 are in favour of five persons. After noticing the above, by order dated 19.04.2023, I directed the original applicant to implead the co-owners of the property. The impleading applications were allowed on 07.06.2023 and consequential amendments were carried out by impleading them as applicants 2 to 7 in the main applications. Upon being impleaded, as stated earlier, applicants 2-7 adopted the submissions of the first applicant.

11. The Company asserts title through the MOU, the GPAs, the sale receipts, the deeds of undertaking, and on the basis of being in possession of parent documents. The MOU was executed by the Company and a local intermediary, namely, Mr.T.V.Pattan. The terms and conditions disclose that Mr.T.V.Pattan was responsible for procuring 200 acres of land and 20% of the total amount was agreed to be paid as advance. The agreed price was Rs.11,250 per acre. It is further provided in the MOU that Mr.T.V.Pattan agreed to hand over all the original documents relating to the respective lands at the time of registration of the GPAs.



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12. The receipts contained in the additional typed set of learned Administrator at page numbers 7 to 12 are of significance. There is a receipt dated 02.12.1995 evidencing payment of Rs.8,42,270/- to the local intermediary/party to the MOU, T.V.Pattan, towards the land cost of 83.05 acres in the Max-Nangaimozhi project. The affidavit annexed thereto provides the GPA document numbers and the same is extracted below:

“We hereby affirm that the Payment which I received through Voucher No.C-4414 has been already distributed to all the Original Owners who gained General Power of Attorney (G.P.A. Deed No.197/95, 175/95, 196/95, 167/95, 172/95, 189/95, 176/95, 195/95, 174/95, 39/95, 38/95, 37/95, 36/95, and 35/95) in favour of your esteemed concern.

(T.V.PATTAN)”

The GPAs mentioned in the said affidavit cover survey numbers 62/4B, 62/1A2, 76/2, 61/2C, 61/2B, 77/3, 78/1, 77/2, 61/2A1C, 58/1, 58/2A, 62/A1, 230/1, 231/1A, 228/1C, 228/2C, 77/1, 242/1C, 78/1, 58/5B, 228/3, 229, 230, 61/2A1C, 239/1, 240/2A, 240/2B, 58/5B, 228/1C, 228/2C, 241/2, 241/3, 242/1A, 52/2A2, 59/2A1, 61/2A1D, 62/3, 228/3, 229/3, 230/2, 229/2B, 62/1C1, 62/1C3, 62/4A2, 55/1, 55/2, 62/4A1, 229/2A, 60/1, 60/2, 61/1, 58/4, 58/5A, 59/3, 59/2A2, 55/1, 55/2 of an aggregate extent of 83.05 acres. Additionally, there are other receipts on record containing



evidence of payment of consideration by the Company to various stakeholders. Also, as regards GPA Deed Nos.23/1996, 172/1995, 16/1996, 13/1996, 37/1995, 8/1996, 31/1996, 11/1996, 22/1996, 15/1996, 19/1996, 18/1996, 20/1996, 21/1996, 14/1996, there is a deed of undertaking for handing over possession in the additional typed set filed by the Administrator. As is evident from the above, the GPAs were executed in favour of D.Sankaran after consideration was received. When viewed in context, these transactions fall within the scope of the exceptions carved out for *bona fide* GPA transactions in paragraphs 26 and 27 of the judgment of the Supreme Court in *Suraj Lamp & Industries v. State of Haryana (2012) 1 SCC 656*.

13. By asserting that the Company plotted the land after purchase into 1, $\frac{1}{2}$ and $\frac{1}{4}$ acre plots, learned Administrator also stated that such plots aggregating to a total extent of about 58 acres were conveyed to 107 customers of the Company between 1996 and 1997. In support of this submission, a table listing the 107 customers, providing details of the registered sale deeds in their favour, the relevant survey numbers and the extents conveyed therein was also provided. Learned Administrator also placed on record the encumbrance certificate for the period 01.01.1995 to



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31.05.2003. For illustrative purposes, if the table of customers is compared

with the encumbrance certificate, the entry relating to Sale Deed Document

No.112/96 shows the name of VED. Vardhan as the claimant/purchaser

(page 270 of the typed set). In the list of customers, his name is at serial

number 1, which is found at page 243 of the typed set. Similarly, the entry

relating to Sale Deed Document No.255/96 shows the name of

Sankarasinthamony N as the claimant/purchaser (page 274 of the typed set).

In the list of customers, his name is at serial number 2 and is found at page

243 of the typed set. The entry relating to Sale Deed Document No.256/96

shows the name of Gurdasmal Arora as the claimant/purchaser (page 275 of

the typed set). In the list of customers, his name is at serial number 3 and is

found at page 243 of the typed set. The encumbrance certificate also

discloses that the sale deeds in favour of the customers of the Company,

were executed by the agent, Sankaran. Upon carrying out this exercise, I

find that the contention of learned Administrator that about 58 acres was

conveyed to the customers of the Company through the GPA holder,

Sankaran, is liable to be accepted. When the survey numbers specified

therein are compared with the survey numbers mentioned in the sale deeds

executed by the GPA holder in favour of the predecessors-in-interest of the

applicants, it is also evident that the GPA holder had fraudulently sold/re-



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sold 86.86 acres of land, including the 58 acres sold earlier through such GPA holder to the Company's customers under registered sale deeds.

14. The applicants, however, claim title under two sale deeds executed by IIEL: (i) sale deed bearing Document No.829 of 2013 dated 17.04.2013, (ii) sale deed bearing Document No.830 of 2013 dated 17.04.2013, and (iii) sale deed bearing Document No.1062 of 2013 dated 16.05.2013, which was executed by E.Ramasamy. Another sale deed bearing Document No.171 of 2014 dated 29.01.2014 executed by some other persons is not relevant to this case as it does not cover the Disputed Lands.

15. The following antecedent documents are on record as regards the manner of acquisition of lands by IIEL, the predecessor-in-title of the applicants: (i) sale deed dated 15.03.2008 between IIEL and three vendors, namely, S.Arumuga Nadar, L.Pandian, T.Sekar, for the sale consideration of Rs.2,33,145/- and covering Survey nos. 230/1, 228/2A, 228/4 of an aggregate extent of about 2 acres and 12 cents; (ii) sale deed dated 09.07.2008 between IIEL and a vendor, namely, T.Vetrivel Nadar, for the sale consideration of Rs.1,65,750/ and covering Survey nos. 231/2, 231/1A, 228/2A, 228/2C, 228/4 of an aggregate extent of 2 acres and 73 cents; (iii)



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sale deed dated 21.07.2008 between IIEL and a vendor, namely, Glory Nesabai, through her power of attorney, C.Muthuraman, for the sale consideration of Rs.15,51,000/- and covering Survey nos. 242/1A, 242/1C, 241/3B, 241/2, 227/2, 62/3, 58/1, 58/2A, 62/1C2, 57/1A2, 62/1C1, 58/2B, 62/1A2, 59/3, 230/1, 77/1, 58/5B, 59/2A2, 29/2A1 of an aggregate extent of 25 acres and 80 cents; (iv) sale deed dated 21.07.2008 between IIEL and a vendor, namely, P.James Moses, through his power of attorney, C.Muthuraman, for the sale consideration of Rs.29,42,000/- and covering survey nos. 77/2, 61/2C, 61/2B, 62/4B, 230/2, 231/2, 229/2B, 230/1, 61/2A1D, 62/1C4, 62/1C5, 62/1C3, 62/4A2, 77/3, 76/2, 78/2, 62/4A1 of an aggregate extent of 49 acres and 6 cents; and (v) sale deed dated 21.07.2008 between IIEL and a vendor, namely, Glory Nesabai, through her power of attorney, C.Muthuraman, for the sale consideration of Rs.9,39,000/- and covering Survey nos. 229/2A, 229/1C, 228/3, 228/1C, 228/2A, 57/1A3, 78/1, 228/1A, 229/1A, 228/4, 228/2C of the aggregate extent of 16 acres and 44 cents.

16. The recitals to the sale deeds (i) and (ii) above, each of which deal with extents below 3 acres, indicate that the schedule properties are the ancestral property of the vendors, whereas the latter three sale deeds, which deal with much larger extents, reveal that the lands were acquired under



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various sale deeds executed by D.Sankaran, the GPA holder, in favour of

James Moses Paul and Glory Nesa Bai, in Udankudi Sub-Registrar Office as

Document Nos. 1024/2005, 1194/2005, 949/2005, 1026/2005, 994/2005,

996/2005, 995/2005, 997/2005, 1091/2005, 1107/2005, 951/2005,

950/2005, 1195/2005, 1027/2005, 1025/2005, 1028/2005 in the year 2005.

In the rejoinder, the first applicant admits categorically that these sale deeds

were executed by the GPA holder, D.Sankaran, in favour of Mr. James

Moses Paul, Mrs. Glory Nesa Bai and others. Paragraph 5 of the rejoinder

of the first applicant, which contains this admission, is set out below:

“5. I respectfully state that as admitted by the 2nd respondent herein the Maxworth Orchards (India) Ltd. appointed and authorized one Mr.Sankaran who was an employee of the Maxworth Orchards (India) Ltd to deal with the Properties. It is also on record that subsequent to the said authorization Mr.Sankaran had dealt with the Properties and he had executed Sale Deeds and necessary documents to transfer the properties in favour of the purchasers. Consequent on such authorization the said Mr. Sankaran had executed necessary Deeds to transfer the Properties in favor of Mr. James Moses Paul, Mrs. Glory Nesa Bai and others and in turn they have further alienated in favor of India Integrated Energy Ltd from whom we have purchased the subject



properties by paying necessary sale consideration, Registration Charges, etc., and got the absolute title and right over the properties."

In the reply to the rejoinder, learned Administrator has asserted that the GPA holder sold the lands registered in favour of the Company's customers again to other third parties in 2005, and set out details thereof in the annexure thereto.

17. Thus, it is evident that the applicants admit that their predecessors-in-title purchased the property under sale deeds executed by the GPA holder, D.Sankaran, in 2005. Company Application No.740/2003 was filed by the then Administrator praying to restrain the GPA holders from alienating lands purchased by the Company. Mr. Sankaran, the GPA holder herein, was the 29th respondent therein and *inter alia* the following directions were issued on 24.04.2003:

"1.That the GPA Holder/Respondents herein be and are hereby restrained by way of injunction from alienating lands purchased by the Company with the funds of the company in their name and General Power of Attorney holders till 30.06.2003.

2...

3...



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4. That, the administrator herein be and is hereby permitted to write to sub Registrars concerned not to register the documents, if any executed;

5...”

The above order was extended until further orders on 18.11.2003 and the order of interim injunction operates till date against the GPA holders.

18. Since the sale deeds were executed after 24.04.2003, it is clear that such sale deeds were executed after the GPA holder was restrained from exercising powers under the GPAs by orders of this Court. Consequently, the critical question that arises at this juncture is: what is the effect of the injunction order on the sale deeds executed by the GPA holder subsequent thereto? Learned senior counsel for the applicants placed reliance on three judgments to contend that the interim order does not invalidate the sale deeds executed by the GPA holder and a brief discussion thereon is warranted. Both *Venkatasubbiah Naidu* and *Lakshma Reddy* deal with Order 39 Rules 3 and 3A of the Code of Civil Procedure, 1908 (the CPC). The interim order, in this case, was originally passed *ex parte* against several agents, including D.Sankaran. Despite the lapse of considerable time, these persons did not apply to discharge the interim injunction or even contest the matter and the interim order was extended until further orders.



These applicants cannot step into the shoes of the GPA holder, Sankaran, and assert that he was unaware of the order or otherwise espouse his cause.

Especially when viewed in the context of compelling evidence that the GPA holder fraudulently resold lands previously sold to customers of the Company, these contentions are bereft of merit and liable to be rejected. *Clifford George* dealt with the effect of Section 237 of the Contract Act but did not deal with an agent under a contract of agency, who acts in contravention of an order of court. Therefore, none of these judgments advance the cause of the applicants.

19. With regard to the effect of a conveyance in the teeth of an order of court, it is instructive to refer to *Jehal Tanti and Ors. v. Nageshwar Singh (dead)*, 2013 SCC OnLine SC 374, where, in relevant part, it was held as under:

“We may also notice Section 23 of the Contract Act, 1872, which lays down that:

“23. What considerations and objects are lawful, and what not.--

The consideration or object of an agreement is lawful, unless --

it is forbidden by law; or

is of nature that, if permitted, it would defeat the provisions of any law; or

is fraudulent; or



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involves or implies injury to the person or property of another; or the court regards it as immoral, or opposed to public policy.”

In each of these cases, the consideration or object of an agreement is unlawful and every agreement executed with such an object or consideration which is unlawful is void. Since the sale deed was executed in favour of Respondent 1 in the teeth of the order of injunction passed by the trial court, the same appears to be unlawful.”

Hence, the sale deeds executed by the GPA holder, D.Sankaran, in favour of the predecessors-in-interest of the applicants contravene Section 23 of the Contract Act and are, therefore, void. Whether the transactions under which the applicants claim title can be characterized as being *bona fide* and made after exercising reasonable due diligence is examined next.

20. As per the direction of this Court in C.A.No.884 to 886 of 2008 vide order dated 17.09.2010, the OL took possession of the Max-Nangaimozhi lands. Pursuant thereto, notice was affixed on the compound pillar and M/s.Global Security Services, a security agency, was appointed to safeguard the immovable property of the Company. The encumbrance certificates for the period from 01.01.1995 to 31.05.2003 reflect the name of the GPA holder. The said encumbrance certificates also indicate that sale deeds in respect of about 58 acres were executed by the GPA holder in



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favour of the Company's customers. If reasonable due diligence was exercised by the applicants, these entries would have been noticed. The sales in favour of the applicants in 2013 were, therefore, undoubtedly not *bona fide*.

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.”

C.P.No.57 of 1998 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



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Section 441(2) of CA 1956, the winding up was deemed to commence on or about 24.02.1998. Once a provisional liquidator is appointed, the wide powers of this Court, *inter alia*, under Section 446(2) of CA 1956 were recognised by the Supreme Court in *Sudarsan Chits (I) Ltd. v. O. Sukumaran Pillai (1984) 4 SCC 657*. As a corollary, Section 536(2) 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 this case, by taking into account the MOU, the GPAs, receipts and letters of undertaking, there is sufficient basis to conclude that the Disputed Land is an asset of the Company. Considering the fact that the MOU, GPAs and receipts were executed in 1995, whereas the sale deeds in favour of the applicants were in 2013, which is much after the commencement of winding up, the said dispositions are void in terms of Section 536(2) of CA 1956. Such sales were detrimental to the interest of the Company and, therefore, cannot be validated. Consequently, the sale deeds are declared void and the *pattas* issued on that basis are also void.



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23. For reasons set out above, Company Application Nos.359 & 360 of 2021 are dismissed without any order as to costs. As a corollary, the Official 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. This order will not, however, stand in the way of the applicants making claims against their vendors.

23.08.2023

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Neutral citation : Yes

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Pre-Delivery Order
in
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2021

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