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O.S.A.No.316 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 25.09.2025

PRONOUNCED ON : 10.10.2025

CORAM

**THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM
AND
THE HONOURABLE MR. JUSTICE MOHAMMED SHAFFIQ**

**O.S.A.No.316 of 2025
and
C.M.P.No.23547 of 2025**

K.Singili

... Appellant

Vs.

1.The Official Liquidator,
High Court, Madras
as a Provisional Liquidator of
M/s. Maxworth Orchards (India) Limited,
High Court, Corporate Bhawan, 2nd Floor,
No.29, Rajaji Salai, Chennai – 600 001
(In Provisional Liquidator)

2.Nagasaila Suresh

... Respondents

Prayer: Original Side Appeal has been filed under Order XXXVI Rule 9 of the Original Side Rules, 1994 and Clause 15 of Letters Patent of 1865, praying to set aside the Order and Decree dated 29.01.2025 passed in Company Application No.579 of 2022 in C.A.No.169 of 2022 in C.P.No.57 of 1998.



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O.S.A.No.316 of 2025

For Appellant

: Mr.Rajesh.R
For Mr.Nanchill.J.Rajkumar

For R1

: Ms.Ambili.B
Deputy Official Liquidator

J U D G M E N T

S.M.SUBRAMANIAM, J.

This Original Side Appeal in O.S.A.No.316 of 2025 is directed against the Order and Decree dated 29.01.2025 passed by the learned Single Judge in Company Application No.579 of 2022 in C.A.No.169 of 2022 in C.P.No.57 of 1998, whereby the application was dismissed by declaring that the sale deeds in favour of the respective applicants are void and that the mutation of revenue records on such basis is also void. The learned Single Judge further directed the Official Liquidator to take all necessary measures to mutate the title and revenue records in terms of the order.

2. The appellant have purchased the lands comprised in S.Nos.4/2, (1.48 Acres) 4/3, (1.80 Acres), 4/4 (1.26 Acres), 4/5 (0.86 Acres), 5/1A (1.40 Acres), 5/1B (0.94 Acres), 5/6A (0.89 Acres) 5/6B (0.82 Acres) 19/1 (5.84 Acres), by way of sale deed No.915 of 2019, and the lands comprised in



O.S.A.No.316 of 2025

S.Nos.6/1A (0.37 Acres), 6/1B (0.73 Acres), 6/1C (1.04 Acres) 6/2 (0.90 Acres) 6/3 (0.85 Acres), 6/5 (0.84 Acres), 6/6 (1.72 Acres), 8/2 (1.05 Acres), 8/4 (0.33 Acres) 8/5 (0.22 Acres), 8/6 (0.77 Acres), 8/7 (0.77 Acres), 8/8 (1.44 Acres), and 8/9 (0.73 Acres), by way of sale deed No.916 of 2019, and the lands comprised in S.Nos.19/3A (0.27 Acres), 19/3C (0.27 Acres), and 5/8 (1.87 Acres), by way of sale deed No.3485 of 2020, and the lands comprised in S.No.19/2C (1.01 Acres), by way of sale deed No.4162 of 2021, covered under Patta nos.853, 896, 897 898 and 965, to the extent of 30.655 acres of land, situate in Thimmapuram village, Arupukottai Taluk, Virudhunagar District, and have constructed a house in Survey Nos.6/6 & 8/9 of Thimmapuram Village, Arupukottai Taluk, Virudhunagar District for residential purpose and residing in the same.

3. The appellant came to know through the local villagers by the second week of July 2022, that his properties have been included in an auction sale notice dated 07.05.2022 issued by the 1* Respondent pursuant to the order of the High Court, Madras dated 29.04.2022 in C.A.No.169 of 2022 in C.P.No.57 of 1998, and the appellant's properties was found in the Serial Nos. 5, to 10, 17, 18, 20, 22, 23, 24, 26, 27, 29, 30, 56, 58 to 63, 102, 105, 107, of Annexure, under the caption "Project : Maxworth-Thimmapuram - M - Extension; Village: Thimmapuram.



O.S.A.No.316 of 2025

WEB COPY

4. Hence, the appellant approached this Court by way of C.A No.579/2022, to stay all consequential proceedings of the auction sale dated 15.6.2022, conducted pursuant to the sale notice dated 07.05.2022, issued by the official liquidator/1st respondent in C.A.No.169/2022, in C.P No.57 of 1998, and all consequential proceedings in respect of the appellant's properties shown in Serial Nos.35, to 10, 17, 18, 20, 22, 23, 24, 26, 27, 29, 30, 56, 58 to 63, 102, 105, 107, of the Annexure, was dismissed on 29.01.2025, by the learned Single Judge.

5. The respondents deny the claim of the applicant and wish to place on record the Maxworth Orchards (India) Limited (hereinafter called "the Company") acquired about 288.325 acres of land in Thimmapuram Village, Kariapatti Taluk in Virudhunagar District and paid sale consideration from the fund of the company to the original farmers and obtained registered power of attorneys in favour of employees of the company i.e A.Venkatesan, G.M.Selvaraj, K.Narayanan. The possession of entire land of 288.325 acres was taken over by the Company in 1996, conducted revenue survey, plotting of the land in the form of 1 acre, 1/2 acre, 1/4 acre and created provision for infrastructure in Max - Thimmapuram -M and



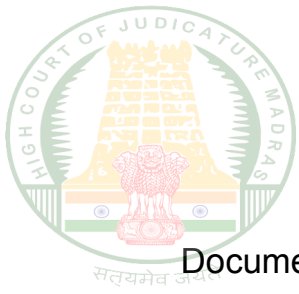
O.S.A.No.316 of 2025

Extension project. The possession of the land has been with the company since 1996 and company received deposit from customers to an extent of 139.25 acres and the Company registered sale deeds in favour of 165 customers to an extent of 94.50 acres and entered into maintenance agreement for orchard development with customers. Unfortunately, before the land could be registered in favour of other customers who paid deposits to the company all sale transactions were brought to a standstill on account of new regulations of Securities and Exchange Board of India (SEBI) and thereafter company went into Liquidation.

6. The Official Liquidator brought for auction sale 182.165 acres and auction was completed on 15.06.2022 and maximum bid was received for Rs.3,40,00,000 from one M/s.Damodhar Techno Systems Private Limited.

7. The point that arises for consideration is whether dispositions of company properties are liable to be validated after the commencement of winding up of the company under Section 536(2) of the Companies Act.

8. The appellant herein is asserting title over 30.655 acres in the survey numbers described in the Judge's summons on the basis of four sale deeds executed by the respective land owners (sale deeds bearing

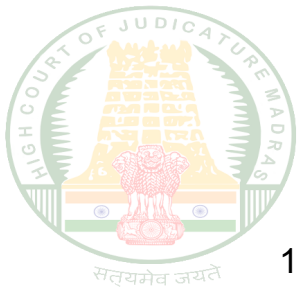


O.S.A.No.316 of 2025

Document Nos.915 of 2019 and 916 of 2019, both dated 27.03.2019, sale deed bearing Document No.3485 of 2020, dated 24.12.2020 and sale deed bearing Document No.4162 of 2021 dated 11.01.2021). Reliance was also placed on three of the sale deeds each dated 18.03.2019, under which the predecessors-in-title of the appellant acquired the lands.

9. The learned Single Judge has correctly held that no document antecedent to 18.03.2019 has been placed on record. Therefore even the earliest purchases by the predecessors-in-title of the appellant were after the commencement of the winding up of the Company.

10. The findings of the learned Single Judge also shows that the respondent company had placed on record the parent documents, under which the said original Land owners acquired title. Other relevant documents evidencing the execution of the power of attorney in favour of ex-employees of the company, the availability of receipts evidencing the payment of consideration for purchase of significant portions of the lands claimed by K. Singili and the custody of the original powers of attorney and the parent documents with the company, the Company has established ownership over these lands.



O.S.A.No.316 of 2025

11. The learned counsel for the appellant had placed reliance on ***Suraj Lamps and Industries Private Ltd vs State of Haryana-I***¹, and ***Suraj Lamps and Industries Private Ltd vs State of Haryana-II***². The Hon'ble Supreme Court has placed exception on genuine transaction by way of power of attorney including in favour of developer as recorded in para 26 and 27 of the said judgement. This was also reiterated in ***Ghanshyam vs Yogendra Rathi***³.

12. The learned Single Judge has rightly relied on Section 536(2) of the Companies Act. The said section reads as follows:

“In the case of a winding up by (the tribunal), 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.”

13. It is crystal clear from the contents of the section aforementioned that after commencement of winding up of company any disposition of property of the company shall be void unless the Court otherwise orders. The appellant is relying upon sale deeds executed in the year 2019 and the

1 (2009) 7 SCC 363

2 (2012) 1 SCC 656

3 (2023) 7 SCC 361



O.S.A.No.316 of 2025

sale deed in favour of the immediate predecessor was also executed in 2019. There is also no other antecedent parent document in favour of the predecessor-in-title. Also, on application of Section 536(2) of the Companies Act, 1956, to the present case, the sale deed in favour of the appellant was made after the date of order of winding up and hence the sale transaction is void. Therefore the learned Single Judge has rightly dismissed the application.

14. This Court is of the opinion that the learned Single Judge after perusing the relevant materials on record has passed the Order dated 29.01.2025, which is in consonance with the established principles of Company law.

15. For all the reasons stated above, the Original Side Appeal stands dismissed. Consequently, the connected Miscellaneous Petition is closed. There shall be no order as to costs.

[S.M.S., J.] [M.S.Q., J.]
10.10.2025

Index : Yes
Speaking order
Neutral Citation : Yes

Jeni

Page 8 of 10



WEB COPY



O.S.A.No.316 of 2025

To

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