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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **CCP(CO.) 9/2011 & CO.APPL. 1283/2017**
M/S S CHAND & COMPANYPetitioner

versus

M/S BHARAT CARPETS LTDRespondent

+ **CO.PET. 50/1984 & CO.APPL. 660/2019, 1045/2024, & OLR 122/2019, OLR 216/2019**
RE-M/S BHARAT CARPETS LTD.Petitioner

versus

....Respondent

Appearance:

Mr. Ravinder Sethi, Sr. Advocate with Mr. Rajiv Kumar Ghawana, Mr. Ranjit Singh Daler, Mr. Vikalp Chandela, Mr. Ashish Chaudhari, Advocates for objectors in Item No.1 and 2.

Mr. J.K. Sharma, Sr. Advocate with Mr. Shivam Goel, Mr. Kartikay Sharma, Ms. Ramya S. Goel, Ms. Saniya Sharma and Ms. Parul Garg, Advocates for Propounders/BCL in Item No.1 and 2.

Mr. Akshay Chandra and Mr. Vipasana Bubna, Advocates for respondent in Item No. 2.

Mr. Anuj Chaturvedi, ASC for OL

Dr. Chandra Shekhar, Advocate for respondents in CO.APPL. 535/2024 in CO.PET. 50/1984.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% 24.11.2025

CO.APPL. 682/2025 in CO.PET. 50/1984

1. This company petition was filed by one M/s S. Chand & Co. Ltd.



for liquidation of M/s Bharat Carpets Ltd. [hereinafter, “the Company”]. The Court directed winding up of the Company by order dated 18.05.1987.

2. In the year 2012, however, a revival application [CO. APPL. 442/2012] was filed by Mr. Manish Arora, Managing Director of M/s UCC Care Pvt. Ltd., and Mr. B.R. Bhatia, Managing Director of M/s Maharani Paints Pvt. Ltd [hereinafter, “the Propounders”], who had entered into an understanding with the ex-Management of the Company. The revival scheme was sanctioned by an order dated 14.08.2018.

3. During the period the winding up proceedings were pending before this Court, the assets of the Company had been taken into possession by the Official Liquidator [hereinafter, “OL”]. At this stage, objections were filed by three individuals, namely Mr. Tarun Kumar, Mr. Deepak Kumar and Mr. Varun Kumar, all sons of Mr. Ram Singh [hereinafter, “the Objectors”], who submitted that the following part of the purported immovable assets in Sarai Khwaja, Tehsil Ballabhgarh, Faridabad, Haryana, as claimed by the Company, were in fact lands owned by them:

- a. Rectangle No. 14 Killa No. 21/2 [measuring 3 Kanal 4 Marla (equivalent to about 1936 sq.yds.)].
- b. Rectangle No. 20 Killa No. 1/2/1 [measuring 3 Kanal 19 Marla (equivalent to about 2400 sq.yds.)].

4. It appears that while the assets were under the control of the OL, an allegation was made by the OL that these lands have been encroached upon by the Objectors. The Objectors disputed any encroachment and asserted ownership. The disputes ultimately turned on demarcation of the property, in respect of which a committee was appointed, and a report



was made, to which also the Objectors filed their objections.

5. Ultimately, the revival scheme placed before the Court referred to a registered Sale Deed dated 08.02.1999 in favour of the Company in respect of these lands, and reiterated the allegation that the Objectors had encroached upon the land. Two contempt petitions were also pending before this Court in this regard.

6. While sanctioning the scheme, by order dated 14.08.2018, the Court directed the OL to hand over the possession of all existing properties and assets of the Company, as well as its records. The winding up order was recalled.

7. In this application, the Propounders and the Objectors state that they have arrived at a settlement, in respect of the above lands. Proceeding on the basis that the lands were indeed properties of the Company, and so remain, the Objectors have agreed with the Company that they will purchase the lands from the Company. A draft Sale Deed has also been prepared. They seek directions of this Court permitting them to execute the Sale Deed, and direct the OL to hand over the original Sale Deeds in respect of the land in question to the Company.

8. I have heard Mr. J.K. Sharma, learned Senior Counsel for the Company, Mr. Ravinder Sethi, learned Senior Counsel for the Objectors, and Mr. Anuj Chaturvedi, learned counsel for the OL.

9. I have first requested Mr. Sharma and Mr. Sethi to satisfy the Court as to the jurisdiction of the Company Court to pass such an order after sanction of the revival scheme. As far as this aspect is concerned, they submit that the proposed Sale Deed cannot be registered in view of a *status quo* order dated 14.07.2009 passed in these proceedings. In view of



the fact that the alleged encroachment occurred during the period the property was *custodia legis*, learned Senior Counsel further submit that it is for the OL to implement the scheme in full, by handing over the disputed land to the Company/Propounders.

10. Learned Senior Counsel have cited the judgment of the Supreme Court in *A. Talukdar & Co. (Fertilizer) (P) Ltd. v. Official Liquidator* [(2016) 14 SCC 289] [hereinafter, “A. Talukdar”], wherein the question was formulated as follows:

“2. The question for consideration is whether the Company Court could evict persons, who have occupied property of a company after commencement of winding-up proceedings, on such company being revived under the order of the Company Court.”

In *A. Talukdar*, a winding up order had been made, which was recalled, and the OL was directed to hand over possession of the properties to the Company. A difficulty arose in respect of one property, which was occupied by a third party. The Supreme Court observed as follows:

“11. The above finding has been seriously challenged by the learned counsel for the appellant. The three occupants as per above finding came into possession after the winding-up order when the Company's assets were in the custody of the Company Court. No arrangement of their entering possession without court's permission could be recognised. Thus, there was no justification for not passing an order of handing over the said assets of the Company to the Company, if winding-up order is recalled.

12. Only response by the learned counsel for the three occupants is that they had already filed a suit in the matter which is to be adjudicated upon.

13. After careful consideration of the rival submissions, we are of the view that once the Company was ordered to be wound up, the assets of the Company came in the custody of the Company Court and no arrangement, after winding-up order, without permission of the Company Court could be recognised in respect of assets of the Company. There was no legal handicap in the occupants, who came into picture during winding-up proceedings, being evicted by the



Company Court so as to restore the possession of the assets of the Company, after the winding-up order was recalled.

14. In view of the above, we allow these appeals, set aside the impugned order and hold that the respondent occupants are liable to be evicted. The Official Liquidator may hand over possession of the said assets to the appellant within three months. Further dispute, if any, including the implementation of this order may be raised before the Company Court.”

11. In the present case, as the Company and the Objectors have arrived at a settlement, learned counsel for the parties submit that the Court is required to clarify that the interim order dated 14.07.2009 will not come in the way of execution or registration of the draft Sale Deed [Annexure A-3 to the present application], and that the role of the OL, in respect of those properties, will stand concluded upon his handing over of the original Sale Deed to the Company.

12. Mr. Chaturvedi also states, upon instructions, that the lands in question being the property of the Company, and the revival scheme having been sanctioned, the OL has no objection to handing over any Sale Deeds, if they are in the possession of the OL, to the Company. Mr. Sharma and Mr. Sethi are also satisfied with such an order.

13. The application is, therefore, disposed of with the following directions:

- a. The OL is directed to hand over the original Sale Deed(s) in respect of the aforesaid properties to the Company, if they are in possession of the OL.
- b. Compliance with the above will be deemed to satisfy the requirements of the sanctioned revival scheme, as far as these properties are concerned.
- c. The interim order dated 14.07.2009 will not come in the way of the



registration of the Sale Deed with regard to these properties, as between the Company and the Objectors.

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In view of the settlement recorded above, Mr. Sharma does not wish to press this contempt application. However, he seeks liberty to revive the application, if there is any difficulty in implementation of the settlement.

The writ petition, alongwith pending application, is dismissed as withdrawn, with liberty as aforesaid.

CO.APPL. 1248/2018 & CO.APPL. 1282/2017

Mr. Sharma, who appears for the applicant in CO.APPL. 1248/2018 and Mr. Sethi, who appears for the applicant in CO.APPL. 1282/2017, submit that these applications may be disposed of as infructuous in view of the orders passed above, with liberty to revive the applications if the settlement is not implemented.

The applications are disposed of as infructuous, with liberty as aforesaid.

CO.APPL. 734/2025 (for exemption) in CO.PET. 50/1984

Exemption allowed, subject to all just exceptions.

The application stands disposed of.

CO.APPL. 733/2025 (for condonation of delay) in CO.PET. 50/1984

This is an application for condonation of delay in filing a reply to CO.APPL. 535/2024. With the consent of learned counsel for the parties, the application is allowed.

Reply to CO.APPL. 535/2024 be placed in the file of the said application.



The application stands disposed of.

CO.APPL. 535/2024 in CO.PET. 50/1984

Learned counsel for legal heirs of respondent No. 1 - Kirpal Singh Bakshi, submits that Ms. Surinder Kaur, wife of respondent No. 1, who is impleaded as respondent No. 2 in the application, has passed away.

He is directed to supply the requisite details to learned counsel for the applicant so that necessary steps can be taken.

Rejoinder, if any, may also be filed within four weeks from today.

List on 20.02.2026.

CO.PET. 50/1984

List on 20.02.2026.

PRATEEK JALAN, J

NOVEMBER 24, 2025
SS/AD/