



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INTERIM APPLICATION (L) NO. 23350 OF 2025
IN
OFFICIAL LIQUIDATOR'S REPORT NO. 53 OF 2019
IN
COMPANY PETITION NO. 525 OF 2015
AND
OFFICIAL LIQUIDATOR'S REPORT NO. 53 OF 2019
IN
COMPANY PETITION NO. 525 OF 2015**

M.M. Styles Private Limited ... Applicant

In the matter between:

Rajkumar Mohansing Bajaj ...Petitioner

Versus

Milestone Interactive Pvt. Ltd. ...Respondent

Mr. Mustafa Kachwala a/w. Ms. Sakshi Sri i/b. K. Law, for the Applicant.

Mr. Shadab Khan, for Pharma Access Pvt. Ltd, Mr. Mohit Sahani i/b. King Stubb & Karia, for Standard Chartered Bank.

Mr. Sushanth Murthy, for the ex-Directors of the Respondent Company i.e. Milestone Interactive Pvt. Ltd.

Mr. Anirudh Hariani, for the Official Liquidator.

Mr. Satyajit Roul, Official Liquidator, present. Mr. Anil Bhagure, Dy. Official Liquidator, present.

CORAM : ARIF S. DOCTOR, J.

RESERVED ON : 30th APRIL 2026

PRONOUNCED ON : 4th MAY 2026

P.C.

1. Since the captioned Interim Application and the Official Liquidator's Report (“**OLR**”) are intrinsically linked and the issues which arise for determination in both are really two sides of the same coin, by consent of the Learned Counsel, they were heard together and are being disposed of by this common order. For convenience, reference to the parties shall be as they appear in the Interim Application.

The facts in brief:

- i. The captioned company petition (“**the said petition**”) was presented on 27th April 2015 under the provisions of Section 433 of the Companies Act, 1956 (“**the Companies Act**”), seeking the winding up of the Respondent, i.e., Milestone Interactive Pvt. Ltd. (“**the company**”).
- ii. It is not in dispute that the company owned a property situated at 702, Supreme Chambers, Shah Industrial Estate, Near Veera Desai, V.D. Road, Andheri (West), Mumbai 400 053 (“**the said Property**”), which in fact was the registered office of the company.

- iii. On 9th September 2016, the company entered into an agreement to sell the said property to the Applicant for a total consideration of Rs. 27 crores.
- iv. Consequently, on 1st October 2016, the company executed a registered deed of apartment in favour of the Applicant on payment of full consideration. The agreement to sell and the deed of the apartment are collectively referred to as the “**first transaction.**”
- v. The company petition was admitted by an order dated 29th November 2016, and a public notice of admission was issued on 12th April 2017. The final winding-up Order was passed on 1st February 2018, and the Official Liquidator was appointed as the liquidator of the company.
- vi. The Official Liquidator, on 26th February 2019, filed the captioned OLR seeking possession of the said property and seeking a declaration that the first transaction was void and of no legal effect.
- vii. The Applicant then, vide a registered deed of apartment dated 2nd December 2019, sold the said property to one Pharma Access Pvt. Ltd.

(“**Pharma Access**”) for a total consideration of Rs. 28 crores (“**second transaction**”). The OLR was thereafter amended to also include the second transaction and similarly declare it void.

viii. It is the Applicant's case that the Applicant became aware of the winding-up proceedings only when they were served with the OLR. The Applicant thus filed the captioned Interim Application under the provisions of Section 536(2) of the Companies Act, 1956, seeking validation of the first and second transactions (“**the said transactions**”).

ix This Court vide an Order dated 15th December 2017, directed notices to be issued to the secured creditors of the company, namely ICICI Bank Ltd., Fullerton India Credit Company Ltd., Standard Chartered Bank and HDFC Bank Ltd., calling upon them to submit their respective claims. Admittedly, no claims were received from any of the said secured creditors, nor were any claims received from the workmen of the company.

Submissions on behalf of the Applicant:

2. Mr. Kachwala, learned counsel appearing on behalf of the Applicant, at the outset, submitted that the present application was necessitated on account of the fact that the said transactions had been entered into after the presentation of the winding-up petition and before the winding-up order was passed. He pointed out that, as per Section 526(2) of the Companies Act, the winding-up order would relate back to the date of presentation of the winding-up petition. Hence, as per the provisions of Section 536(2) of the Companies Act, the said transactions would be void unless validated by this Court. He thus submitted that the captioned Interim Application had been filed seeking validation of the said transactions under the provisions of Section 536(2)¹ of the Companies Act, 1956.

¹ 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 [Tribunal] otherwise orders, be void.

3. Mr. Kachwala then submitted that, notwithstanding the use of the word “void” in Section 536(2), all transactions which were entered into after the presentation of a winding-up petition were not *ipso facto* void but were voidable at the instance of the Court. In support of his contention, he placed reliance upon the decision of the Hon’ble Supreme Court in ***Pankaj Mehra v. State of Maharashtra***², which he pointed out held as follows:

“14. In the above backdrop alone we can consider the impact of the legislative direction in Section 536(2) that any disposition of the property of the company made after the commencement of the winding up (i.e. after the presentation of a petition of winding up) shall be void. There are two important aspects here. First is that the word “void” need not automatically indicate that any disposition should be ab initio void. The legal implication of the word “void” need not necessarily be a stage of nullity in all contingencies. Black’s Law Dictionary gives the meaning of the word “void” as having different nuances in different connotations. One of them is of course “null, or having no legal force or binding effect”. And the other is “unable in law, to support the purpose for which it was intended”. After referring to the nuances between void and voidable the lexicographer pointed out the following:

“The word ‘void’ in its strictest sense, means that which has no force and effect, is without legal efficacy, is incapable of being enforced by law, or

² (2000) 2 SCC 756.

has no legal or binding force, but frequently the word is used and construed as having the more liberal meaning of 'voidable'. The word 'void' is used in statutes in the sense of utterly void so as to be incapable of ratification, and also in the sense of voidable and resort must be had to the rules of construction in many cases to determine in which sense the legislature intended to use it. An act or contract neither wrong in itself nor against public policy, which has been declared void by statute for the protection or benefit of a certain party or class of parties, is voidable only."

(emphasis supplied)

4. Mr. Kachwala then also placed reliance upon the decision of this Court in the case of ***Kamani Metallic Oxides Ltd. v. Kamani Tubes Ltd.***³ to point out that this Court had in the context of Section 536(2) of the Companies Act, 1956, specifically noted as follows:

"9. Sometimes dispositions would be necessary in the interest of the company and thus in the ultimate interest of the creditors of the company, during the pendency of the application for winding up. But the directors would be reluctant to enter into transactions on their own for fear of the transactions being declared invalid on the passing of the winding up order. The company court must have jurisdiction to protect such transactions. We, therefore, feel that the rule of harmonious construction supports the view that the court can exercise jurisdiction under s. 536(2), even before the winding up order is made. The fact that the order

³ 1982 SCC OnLine Bom.

would become otiose, if the application for winding up is ultimately rejected, does not take away the jurisdiction. " (emphasis supplied)

He pointed out that the aforesaid view taken by this Court had also been followed by the Division Bench of the Gujarat High Court in the case of **Navjivan Mills Ltd.**⁴, which, *inter alia*, held as follows:

"19. It is well settled on matter of principle and authority that if the company court is satisfied that a particular disposition of the property of a company which is the subject-matter of a winding-up petition, is necessary or expedient in the interest of the company and particularly its creditors and shareholders and the transactions are in the ordinary course of its current trade bona fide entered into and completed, and it is in the interest of every one to preserve the company as a going concern, and if such transactions are not maintained, and the presentation of the petition groundless or well-founded would result ipso facto into paralysing the trade of the company and a great injury without any counter-balance of advantage would be done to those interested in the assets of the company, it would be in the discretion and duty of the court to validate such transactions.

5. Basis the above, Mr. Kachwala submitted that the consistent judicial position was that the Company Court possesses jurisdiction under Section 536(2) to validate dispositions made by a company even during the pendency of a winding-up petition so as to ensure that bona fide transactions, entered into in

⁴ 1984 SCC OnLine Guj 256.

the ordinary course of business and in the interest of the company and its creditors, are not rendered invalid merely due to the pendency of such proceedings.

6. He submitted that where such transactions were found to be bona fide, the Court not only had the discretion but also the duty to protect and validate them. Mr. Kachwala then pointed out that the Hon'ble Supreme Court had, in the case of *Pankaj Mehra*, also expressly cautioned against treating every transaction entered into by a company after the presentation of a winding-up petition as void and had noted that such an approach would, in effect, paralyse the company's business operations.

7. Mr. Kachwala then submitted that, when the first transaction was entered into, the Applicant had no knowledge whatsoever of the pendency of the winding-up petition despite due diligence. In support of this contention, he pointed out that, pursuant to the agreement for sale dated 9th September 2016, the Applicant had approached Karnataka Bank for a loan of Rs. 22 crores, which was sanctioned only after the bank obtained an encumbrance and title search

in respect of the said property. He submitted that the said report not only did not disclose the existence of any winding-up petition but, on the contrary, recorded that there was no pending litigation or encumbrance affecting the said property.

8. He then pointed out that the public notice of the admission of the winding-up petition was issued only on 12th April 2017, which was well after the first transaction had been completed. On this basis, he submitted that the Applicant had acted in a totally bona fide manner and without there being notice of any impediment in entering into the said transaction. Mr. Kachwala submitted that the Applicant first became aware of the liquidation proceedings only in July 2024 on being served with the OLR. He thus submitted that, even when the second transaction was entered into, the Applicant was entirely unaware of the winding-up proceedings and had entered into the second transaction in good faith and for valuable consideration.

9. Mr. Kachwala then pointed out that the entire amount of Rs. 27 crores paid by the Applicant to the Company under the first transaction had been discharged by the Applicant in the following manner viz.

i. Rs. 3,23,00,000/- was paid on 9th September 2016 after deducting 1% mandatory TDS amounting to the Company;

ii. Rs. 1,50,00,000/- was paid on 14th September 2016 to the Company.

iii. Rs. 17,00,00,000/- was paid on 30th September 2016 to Fullerton India Credit Company Ltd., a secured creditor of the company for which a no-due certificate was issued by Fullerton India Credit Company Ltd.

iv. Rs. 5,00,00,000/- was paid on 30th September 2016 to the company, and accordingly, a deed of apartment came to be registered in favour of the Applicant, and the possession of the said property was delivered to the Applicant.

v. The TDS amount of Rs. 27 crores in respect of the First Transaction was deposited by the Applicant, in support of which the Applicant has filed an Affidavit dated 21st April 2026 to which is annexed Form 26AS.

10. Mr. Kachwala submitted that the company had admitted that the revenue from the first transaction was utilised towards the repayment of the debts due to various creditors of the company and to maintain the company as a going concern. He, therefore, argued that the first transaction was clearly in the best interest of the company and that the creditors of the company had benefited from the consideration received from the first transaction. He thus submitted that the first transaction would squarely be governed by the law as laid down in the case of *Kamani Metallic Oxides Ltd.* and *Navjivan Mills Ltd.*

11. Mr. Kachwala then placed reliance on a recent decision of this Court in the case of *Helbon Engineers Pvt. Ltd. v. Feral Anant Machinery Manufacturers Pvt. Ltd.*⁵, which he submitted would squarely apply to the

⁵ [Bombay High Court] Order dated 10th June 2024 in Interim Application No. 1454 of 2024.

facts of the present case. He pointed out that this Court, in the case of **Helbon Engineers**, held as follows:

“43. In the facts of the case, as noted above, the Applicant has conducted its due diligence before entering into the sale of the agreement dated 5th September 2007, has paid the entire consideration to the company in liquidation and the sale agreement is duly registered after obtaining permission from the MIDC and confirmation of no dues from Bank of Baroda and has also settled the dues of the petitioner in the winding up petition. The Applicant has also invested large sums of monies and has also obtained financial assistance of over Rs. 4 crores to establish its business employing around 100 workmen, which has not been disputed on behalf of the Official Liquidator. Therefore, in my view, the Applicant as well as the transaction, evidenced by sale agreement dated 5th September 2007, are bonafide. Moreover, admittedly, there are no creditors or claimants or workmen claiming against the company in liquidation as on date. The transaction, in my view, is not only bonafide but also fair, just and reasonable and deserves to be protected. Accordingly, I am inclined to allow this application. Applying the law elucidated above, to the facts of this case the arguments on behalf of the Official Liquidator cannot be countenanced and there is no question on the sale of the said property being void ab-initio or non-est in the eyes of the law. Mr. Carvalho’s reliance upon the decision in the case of Sunita Vasudeo Warke vs. Official Liquidator, as the facts are distinguishable, the said decision having been rendered in the context of an oral agreement, although there cannot be any dispute as to the principles elucidated therein.

(emphasis supplied)

Mr. Kachwala submitted that much like in the case of *Helbon Engineers*, the present transaction was also entered into after due diligence and admittedly well before any public notice was issued. He pointed out that no creditors or workmen of the company had come forward to oppose the transaction and that the consideration from the first transaction had been used to discharge the debt of Rs. 17,00,00,000/-, a secured creditor of the company to whom the said property was mortgaged as security as well as the other creditors of the company. He thus submitted that the first transaction was just, fair, and bona fide, and that the company and its creditors had derived benefits from the same. He submitted that the first transaction was also not undervalued and therefore ought to be validated by this Court.

12. Mr. Kachwala concluded by reiterating that the jurisdiction under Section 536(2) was an enabling and equitable one which requires the Court to take a balanced approach when considering an application for validation. He submitted that the Court was not required to view every transaction with

suspicion, treat every disposition as void, or mechanically validate all transactions. He submitted that the jurisdiction under Section 536(2) should be exercised equitably based on the facts of each case and that it was an enabling power requiring confirmation of genuine and bona fide transactions that are shown to benefit the company in liquidation or to keep its affairs going. Basis this, he submitted that the said transactions be validated.

Submissions on behalf of the Official Liquidator:

13. Mr Hariani, learned counsel appearing on behalf of the Official Liquidator submitted that since the said transactions had been entered into after the presentation of the winding-up petition, the same were clearly void as per the provisions of Section 536(2) of the Companies Act, 2013.

14. He submitted that the ex-director of the company, Mr Jayant R. Sharma, was fully aware of the pendency of the company petition and, despite such knowledge, had proceeded to enter into the first transaction. In support of his contention, he submitted that, as early as 16th June 2015, an order had been

passed by the company registrar recording that the statutory notice had been duly served upon the company and that the company had, in fact, entered an appearance. He pointed out that notwithstanding this, no reply was filed on behalf of the company either to the statutory notice or to oppose the Company Petition. He submitted that the ex-directors' conduct clearly indicated that the first transaction was intended to divest the company of its assets during the winding-up proceedings, to the prejudice of the creditors.

15. Mr. Hariani then placed reliance upon the decisions of this Court in ***Board of Industrial and Financial Reconstruction and Ors. v. Hindustan Transmission Products Ltd.***⁶ and ***Sunita Vasudeo Warke v. Official Liquidator and Ors.***⁷ to submit that this Court had consistently held that a transaction entered into after the presentation of a winding-up petition can be validated under Section 536(2) only if the Applicant discharges the burden of pleading and proving that the transaction was entered into in the ordinary

⁶ 2012 SCC OnLine Bom 1294.

⁷ 2013 (2) Mh. L.J. 777.

course of the company's business and was bona fide and in the best interests of the company and its creditors. He submitted that, in the present case, neither the Applicant, ex-directors nor the company had discharged this burden. He pointed out that the first transaction was neither in the ordinary course of business nor undertaken in the interest of the company and its creditors, and there was no commercial necessity or compulsion justifying the sale of the property.

16. Mr. Hariani then placed reliance upon the decision of this Court in *Laxman Yeswant Prabhudesai v. NRC Ltd.*,⁸ to point out that there must be some commercial compulsion for the transfer of an asset of a company in liquidation, and the same cannot be done at the whims and fancies of the ex-directors. He also placed reliance upon the decision of this Court in *In Re: Rustech Products*⁹ to submit that the property belonging to a company does not lie at the pleasure of its board of directors.

⁸ (2010) SCC OnLine Bom 434.

⁹ [Bombay High Court] Order dated 15th September 2025 in OLR No. 42 of 2018.

17. On the aspect of valuation, Mr. Hariani submitted that the Applicant had, in the Interim Application, failed to discharge the burden of proving that the said transactions were entered into for proper value; in light of the Valuation Reports, filed by Kishore Karamsey & Co. and M/s. Shetgiri & Associates, he fairly conceded that the first transaction had not been undervalued. He, however, pointed out that the Applicant had not discharged the burden of proving the payment of the balance consideration of Rs. 10 crores to the company, since the bank statements, upon which reliance was placed, were not duly certified in the manner required under the provisions of the Banker's Books Evidence Act, 1891. He thus submitted that the said bank statements could not be relied upon as proof of payment.

18. Mr. Hariani submitted that the second transaction was entirely predicated upon the validity of the Applicant's title to the said property, which was admittedly wholly derived from the first transaction. He submitted that it was well settled that a person could only convey a right, title or interest in property which such person possessed in the present case. He submitted that if the first

transaction was void, the Applicant had no right, title, or interest in the property and therefore could not convey any title to Pharma Access in the second transaction. In these facts, he submitted that the question of validating the second transaction did not arise. In support of his contention, he placed reliance upon the decision of the Hon'ble Supreme Court in the case of ***Ureka Builders v. Gulabchand and Ors.***¹⁰

19. Mr. Hariani then pointed out that the second transaction was executed on 2nd December 2019, which was well after the final order of winding up dated 1st February 2018. He also pointed out that the second transaction was entered into after the issuance of the public notice dated 12th April 2017, and therefore neither Pharma Access nor the Applicant could plead ignorance of the knowledge of the winding-up proceedings when the second transaction was entered into. He submitted that the Official Liquidator had also received a claim of certain statutory dues being due and payable by the company and

¹⁰ (2018) 8 SCC 68.

that, if the transactions were declared void, the amounts realised from the sale thereof could be utilised to discharge these dues.

20. He thus submitted that the OLR should be made absolute and that the interim application should be rejected with costs.

Submissions of behalf of the ex-Directors of the Company:

21. Mr. Murthy, on behalf of the ex-directors of the company, submitted that the issuance of notice in the captioned proceedings to the financial creditors of the company, viz., ICICI Bank Ltd., HDFC Bank Ltd., Fullerton India Credit Company Ltd., and Standard Chartered Bank Ltd., itself made clear that the Official Liquidator had not fully considered the books of accounts lying in the custody of the Official Liquidator, since those very books would have disclosed that each of the said financial creditors had already been paid off in full. He further submitted that the ex-directors had made great efforts in negotiating one-time settlements with all the creditors of the company and in settling their dues by utilising the proceeds from the sale of the said property.

It was thus that he submitted that none of the said creditors had any subsisting claims against the company. He then pointed out that the very sale agreement annexed by the Official Liquidator to the OLR recorded that the Applicant had directly discharged the dues of Fullerton India Credit Company Ltd., out of the sale consideration, which he submitted was itself evidence of the bona fide character of the first transaction.

22. Basis the above, Mr. Murthy submitted that the first transaction was bona fide and entered into in the interest of the company. He submitted that the company had no option but to dispose of the said property in view of the outstanding dues owed by the company to various creditors. He further submitted that the ex-directors of the company at that time, were unaware of the provisions of Section 536(2) of the Companies Act and therefore were not aware that any transaction entered into would be voidable under Section 536(2) of the Companies Act.

23. Mr. Murthy then took pains to point out that the said property was, in fact, mortgaged to Fullerton India Credit Company Ltd., who had a first and sole

charge on the same. He submitted that the unpaid dues of Fullerton India Credit Company Ltd. were to the extent of over Rs.27 crores and it was solely on account of the efforts of the ex-directors that Fullerton India Credit Company Ltd. negotiated a one-time-settlement in the amount of Rs.17,40,00,000/- as full and final payment for its claim in excess of Rs.27 crores. He pointed out that the amount was directly paid to Fullerton India Credit Company Ltd. and the surplus was used to pay off the various other creditors after due negotiations. He reiterated that the very fact that none of the creditors had today come forward with any subsisting claim was itself evidence of the fact that the ex-directors had satisfied the claims of each of the creditors of the said company, and therefore it could not be said that the said transaction was bona fide nor in the interest of the said company. He took pains to point out that the claim of the Petitioner in the captioned Company Petition was only Rs. 8,00,000/-.

24.Mr. Murthy submitted that if this Court were to nullify the said agreement, it would effectively mean that Court would be doing so only to satisfy a claim

of Rs. 8,00,000/-. He thus submitted that there was no merit in the OLR, and the same ought to be dismissed.

Reasons and Conclusions:

25. Having heard learned counsel for the parties and having considered the pleadings and material upon which reliance has been placed as well as the case laws cited, I find that the Interim Application would have to be allowed in part and the OLR dismissed. I say so for the following reasons:

A. It is now well settled from a catena of decisions¹¹ that the word ‘void’ in Section 536(2) of the Companies Act is to be read as ‘voidable’ and that validation of a transaction under Section 536(2) is an enabling power to protect and validate bona fide transactions completed before the date of

¹¹ Pankaj Mehra and Anr v. State of Maharashtra and Ors [(2000) 2 SCC 756], S.P. Khanna v. S.N.Ghosh [1975 SCC OnLine Bom 263]; Sunita Vasudeo Warke v. Official Liquidator and Ors. [2013 (2) Mh. L.J. 777]; MSFC v. Ajanta Pharma Ltd. [(BHC) Order dt. 3rd July 2022 in Company Application No. 380 of 2011]; BIFR and Ors v. Hindustan Transmission Products Limited [2012 SCC OnLine Bom 1294]; Kalani Industries Private Limited and Ors. v. The Official Liquidator, High Court Bombay and Ors. [(BHC) Order dt. 9th June 2025 in Company Application No. 248 of 2019].

the winding-up order. It is also equally well settled¹² that the Court must avoid extreme positions where every disposition is void or every disposition is permissible. Therefore, if it is found that the transaction was for the benefit of and in the interests of the company or for keeping the company going or keeping things going generally or in the interest of the creditors of the company, such transactions ought to be validated. In the case of *MSFC v. Ajanta Pharma*,¹³ this Court noted that to oppose validation, the Official Liquidator would have to show that the property had been sold at an undervalue or throwaway price.

B. In the facts of the present case, the OLR seeks a declaration that the said agreements are void solely on the ground that they were entered into after the presentation of the winding-up petition and that the Applicant has failed to establish that the transactions were bona fide and entered into in

¹²Sunita Vasudeo Warke v. Official Liquidator and Ors.[2013 (2) Mh. L.J. 777]; Kalani Industries Private Limited v. The Official Liquidator, High Court Bombay and Ors.[(BHC) Order dt. 9th June 2025 in Company Application No. 248 of 2019.]

¹³ Bombay High Court Order dt. 3rd July 2022 in Company Application No. 380 of 2011.

the best interest of the company. While the burden of proving that a transaction is bona fide undoubtedly lies upon the applicant; in the facts of the present case, it is not even the Official Liquidator's case that the transactions are in any manner fraudulent or tainted or that the same have been entered into at an undervalue, much less a gross undervalue. The Official Liquidator has, in fact, during the course of arguments, fairly conceded that the consideration paid by the applicant was above the market value of the said property. Hence, there is no dispute with regard to the value of the first transaction.

C. On the other hand, the Applicant has, in my view, amply demonstrated that (i) the Applicant could not have had knowledge of the presentation of the winding-up petition since both the order of admission and the public notice were events that took place much after the first transaction was entered; (ii) the Applicant had exercised due diligence before entering into the first transaction since the encumbrance and title certificate also did not disclose any pending litigation or fetter on the transfer; (iii) the

consideration paid under the first transaction was above the market value of the said property; (iv) the consideration was used to discharge the dues of the creditors of the company; (v) there were no claims received from any other creditors of the company, nor are there any claims received from the workmen of the company. In these facts, I find that the decision of this Court in the case of *Helbon Engineers* would squarely apply.

D. Though the Official Liquidator, during the course of arguments, made a submission that there were certain statutory dues outstanding against the company in liquidation, such a claim finds no mention in the OLR, nor was it placed on affidavit, though a request was made to do so. However, even accepting that such a claim exists, in the facts of the present case, I find that for the reasons set out in (C) above, this would not by itself be enough to declare the first transaction void. In this regard, I find the Applicants' reliance upon the decisions in *Kamani Metallic Oxides Ltd.* *Navjivan Mills Ltd.* to be well founded.

E. However, I find merit in the contention of the Official Liquidator that while the Applicant might not have known about the presentation of the winding-up Petition, the ex-directors of the company certainly did, since the record shows that the statutory notice was duly served, as also in view of the public notice of admission. Despite this, the ex-directors of the Company proceeded to deal with the property of the Company. The contention that the ex-directors were not aware of the relevant provisions of the Companies Act, 1956, needs only to be stated to be rejected, as correctly contended by Mr Hariani. To my mind, therefore, the conduct of the ex-directors of the company is clearly lacking in bona fides and therefore cannot go unnoticed.

24. In view of the aforesaid reasons, I pass the following Order:

- i. The captioned Interim Application is allowed in part in terms of prayer clause 'a' insofar as it relates to the first transaction.

- ii. The second transaction is between two private parties and thus would not fall within the ambit and scope of an application under Section 536(2) of the Companies Act.
- iii. Given the conduct of the ex-directors of the company as noted in (E) above, it would be open to the statutory authorities to take such steps as may be permissible in law against the ex-directors for the recovery of any statutory dues.
- iv. The Official Liquidator's Report No. 53 of 2019 is accordingly dismissed in the above terms.
- v. The interim application is accordingly disposed of.
- vi. No orders as to costs.

[ARIF S. DOCTOR, J.]

25. Upon pronouncement, Mr. Khan mentioned the Interim Application (L) No. 20469 of 2025 that was filed in the captioned Company Petition, which is not

listed on the board today. The same is taken on board. He submitted that the said Application will not survive in view of the disposal of the captioned Interim Application. The Interim Application (L) No. 20469 of 2025 is accordingly disposed of.

[ARIF S. DOCTOR, J.]