



2025:DHC:9239-DB



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

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Judgement reserved on: 25.09.2025

Judgement delivered on: 17.10.2025

+ CO.APP. 9/2022, CM APPL. 55543/2022, CM APPL. 55545/2022 & CM APPL. 12382/2023

M/S CONNOISSEUR BUILDTECH PVT. LTD. THROUGH
MR. ANIL SHARMA EX DIRECTORAppellant

Through: Mr. Ashok Kumar Juneja &
Mr. Mithlesh Kumar Singh,
Advs.

versus

OFFICIAL LIQUIDATOR (OL) OF M/S. CONNOISSEUR
BUILDTECH PVT. LTD. & ANR.Respondents

Through: Ms. Ruchi Sindhwani, SSC for
Official Liquidator with Ms.
Megha Bharara, Adv.

CORAM:

HON'BLE MR. JUSTICE ANIL KSHETARPAL

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

J U D G E M E N T

HARISH VAIDYANATHAN SHANKAR J.

1. The present Appeal, filed under Section 483 of the **Companies Act, 1956**¹, assails the **Order dated 20.04.2022**² passed by the learned Single Judge in Company Application No. 717/2018 (filed by Respondent No. 1) and Company Application No. 899/2018 (filed by

¹ Companies Act

² Impugned Order



Respondent No. 2), both arising out of Company Petition No. 671/2014 titled *Kiran Gulati v. M/s. Connoisseur Buildtech Pvt. Ltd.*

2. By the Impugned Order, the learned Single Judge directed the Appellant Company to bear and deposit, within one week, the entire expenses incurred by the Official Liquidator towards securing the property bearing **Plot No. GH-12A, Sector-1, Greater Noida, Uttar Pradesh³**. The Order further provides that, in the event of non-compliance, Respondent No. 1/Official Liquidator would be at liberty to initiate steps for liquidation of the Appellant Company's assets.

3. The Appellant, however, disputes this determination and asserts that the subject property has been wrongly identified as belonging to it. Consequently, the fastening of liability upon the Appellant to bear the said expenses is, according to it, wholly unjustified.

BRIEF FACTS:

4. The Appellant Company was placed under provisional winding-up by an Order of this Hon'ble Court dated 23.02.2016, pursuant to which Respondent No. 1/Official Liquidator was appointed as the Provisional Liquidator.

5. In discharge of his duties, the Official Liquidator took possession of several assets, which, according to him, included the subject property, i.e., Plot No. GH-12A, Sector-1, Greater Noida. To safeguard the said property, the Official Liquidator engaged the services of a private security agency/Respondent No. 2, thereby incurring substantial expenses.

6. Subsequently, the parties to the main Company Petition arrived at a settlement, which resulted in the Order dated 12.12.2017. By the

³ Subject Property



said Order, the winding-up proceedings were conditionally recalled, subject to the Appellant depositing a sum of Rs. 18 lakhs, along with any additional security expenses incurred after 30.11.2017.

7. Despite repeated reminders from Respondent No. 1/Official Liquidator, the Appellant Company failed to comply with the aforesaid condition and did not deposit the requisite amount.

8. As a result of such non-compliance, Company Application No. 717/2018 was filed by Respondent No. 1/Official Liquidator, and Company Application No. 899/2018 was filed by Respondent No. 2, the security agency engaged for providing security to the subject property.

9. During the adjudication of these applications, the Appellant took a categorical stand that the subject property was never its asset but, in fact, belonged to a separate legal entity, namely, *M/s. Connoisseur Infrabuild Pvt. Ltd.* It was contended that the attachment of the property and the deployment of security services were the result of a mistaken identification and that the Official Liquidator, without undertaking proper verification or due diligence, had wrongly assumed the property to be that of the Appellant.

10. However, by the Impugned Order, the learned Single Judge, while considering the aforesaid submissions, upheld the liability of the Appellant Company to bear the entire security expenses.

11. Aggrieved by the Impugned Order, the Appellant Company has preferred the present Appeal.

CONTENTIONS OF THE APPELLANT:

12. Learned counsel for the Appellant would submit that the subject property does not constitute an asset of the Appellant Company, which was placed under liquidation, and therefore, the Appellant



cannot be saddled with liability to bear security expenses for a property that never belonged to it but was owned by a distinct legal entity.

13. It would further be urged by the learned Counsel for the Appellant that the Official Liquidator acted with gross negligence and without due diligence, for the Official Liquidator failed to verify the actual ownership of the property before taking possession and incurring security expenses, and the Appellant ought not to be made to suffer for the consequences of such an erroneous assumption.

14. Learned counsel for the Appellant would also contend that reliance on the statement of Mr. Anil Sharma, Ex-Director of the Appellant Company, recorded under Rule 130 of the **Companies (Court) Rules, 1959⁴**, is wholly misconceived, since the statement was procured under undue pressure, threat, and misrepresentation, and therefore cannot be treated as a valid admission or a basis for fastening liability upon the Appellant.

CONTENTIONS OF THE RESPONDENT:

15. *Per contra*, learned Counsel for the Official Liquidator would contend that the entire action of taking possession of the subject property and providing security thereon was undertaken on a *bona fide* belief, based upon the statements tendered under Rule 130 of the Company Rules, as well as the conduct of the Appellant's ex-director. She would further contend that while making such a statement, the relevant particulars and details of the assets were not furnished, despite an undertaking having been given to provide the same within a period of seven days.

⁴ Company Rules



16. In support of her submission, she would place reliance on the statement of Mr. Anil Sharma, Ex-Director of the Appellant Company, recorded on 11.09.2017 under Rule 130 of the Company Rules. In the course of this statement, Mr. Anil Sharma also furnished a handwritten undertaking, the relevant portion of which reads as follows:

“It is to inform your good office that I am already paid the petition amount to the petitioner and I'm in process to file an application before the Hon'ble Court within 10 days for recall the winding up order dated 23.02.2016. I am also undertake that I agree to bear all the official liquidator expenses i.e. security expenses since 24.04.2016 as well as conveyance bills.”

17. Learned Counsel for the Official Liquidator would further submit that the learned Single Judge, while passing the Order dated 12.12.2017, was pleased to record the following observations:

“Learned counsel for the parties state that the matter has been settled.

In view of the settlement learned counsel for the petitioner seeks to withdraw the petition.

Learned counsel appearing for the OL points out that the petition was admitted on 23.2.2016 and the OL attached to this Court was appointed as the Provisional Liquidator. It is urged that the OL has taken over the assets of the respondent company including Plot No. GH-12A, Sector-1, Greater Noida, UP. It is urged that a sum of Rs.17,93,412/- is payable as on 30.11.2017 on account of security expenses.

The order dated 23.2.2016 appointing the OL as Provisional Liquidator is recalled subject to the respondent depositing a sum of Rs.18 lacs plus any additional expenses regarding the security incurred after 30.11.2017 by the respondent company within four weeks.

The OL will give a break-up of the security expenses incurred to the respondent.

Petition stands disposed of.”

18. It would also be pointed out by the learned Counsel for the Official Liquidator that the aforesaid Order dated 12.12.2017 was reiterated and given further effect by the subsequent Order dated 03.10.2018, which records as under:



“Learned counsel appearing for the respondent seeks time to file reply.

It is noticed that vide order dated 12.12.2017 this Court recalled the order dated 23.02.2016 appointing the OL as Provisional Liquidator subject to the respondent depositing a sum of Rs.18 lacs plus any additional expenses regarding security incurred after 30.11.2017 by the respondent company including for Plot No.GH-12A, Sector-I, Greater Noida, UP.

The respondent has not paid the stated amount. It is clarified that the order appointing the OL shall continue to operate and the OL will take steps accordingly. The OL will ensure that the registered office of the respondent company and all its bank accounts are sealed and they shall continue to remain sealed.

Renotify on 20th February, 2019.”

19. On the basis of these Orders, learned Counsel for the Official Liquidator would assert that the Appellant never raised any objection to the classification of the subject property as its asset, either immediately after the Order dated 12.12.2017 or even after the subsequent Order dated 03.10.2018 and nor did the Appellant avail of the statutory remedy of appeal against either of these Orders.

20. According to learned Counsel for the Official Liquidator, the Office of the Liquidator proceeded throughout in a *bona fide* manner, relying upon the statements and conduct of the Appellant’s ex-director, and incurred considerable expenditure in safeguarding the property, and therefore, the present objection, raised at this belated stage, is an afterthought and is vitiated by delay and laches.

21. On this foundation, it would be argued by the learned Counsel for the Official Liquidator that the Appellant is, in fact, estopped from resiling from its earlier stance and from, now taking a contradictory plea regarding the ownership of the subject property. The doctrine of estoppel, it would be contended, squarely operates against the Appellant, which, by its silence and acquiescence, induced the Official



Liquidator to act to its detriment and incur substantial expenses in the *bona fide* discharge of his statutory duties.

ANALYSIS:

22. We have heard the learned counsel for the parties at length and carefully perused the extensive record with their able assistance.

23. The foundational issue that arises for consideration is whether, in the facts of the present case, the Appellant is not liable to make good the expenses incurred *bona fide* by the Official Liquidator for the preservation of the assets. An incidental question that arises for determination relates to the statutory obligations of company directors, and the extent to which the Official Liquidator is entitled to place reliance upon their disclosures in the discharge of its statutory duties.

24. The scheme of the Companies Act, along with the corresponding Rules, casts a solemn and mandatory duty on the directors and officers of a company under winding up to make a full, accurate, and candid disclosure of its affairs upon the appointment of a liquidator.

25. At the outset, it is necessary to advert to Section 454 of the Companies Act, which mandates the submission of a “statement of affairs” to the Official Liquidator, duly verified by an affidavit, and containing detailed particulars of the company’s assets, debts, and liabilities. This statutory duty is reinforced by Rule 130 of the Company Rules, and the legislative intent behind this framework is to equip the Liquidator with complete and accurate information so as to enable the efficient and effective administration of the company’s estate. Section 454 of the Companies Act reads as under:



“Sec. 454 - Statement of affairs to be made to Official Liquidator.

(1) Where the [Tribunal] has made a winding up order or appointed the Official Liquidator as provisional liquidator, unless the [Tribunal] in its discretion otherwise orders, there shall be made out and submitted to the Official Liquidator a statement as to the affairs of the company in the prescribed form, verified by an affidavit, and containing the following particulars, namely: -

(a) the assets of the company, stating separately the cash balance in hand and at the bank, if any, and the negotiable securities, if any, held by the company;

(b) its debts and liabilities;

(c) the names, residences and occupations of its creditors, stating separately the amount of secured and unsecured debts; and in the case of secured debts, particulars of the securities given, whether by the company or an officer thereof, their value and the dates on which they were given;

(d) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realized on account thereof;

(e) such further or other information as may be prescribed, or as the Official Liquidator may require.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the manager, secretary or other chief officer of the company, or by such of the persons hereinafter in this sub-section mentioned, as the Official Liquidator, subject to the direction of the [Tribunal], may require to submit and verify the statement, that is to say, persons--

(a) who are or have been officers of the company;

b) who have taken part in the formation of the company at any time within one year before the relevant date;

(c) who are in the employment of the company, or have been in the employment of the company within the said year, and are, in the opinion of the Official Liquidator, capable of giving the information required;

(d) who are or have been within the said year officers of, or in the employment of, a company which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time not exceeding three months from that date as the Official Liquidator or the [Tribunal] may, for special reasons, appoint.

(4) Any person making, or concurring in making, the statement and affidavit required by this section shall be allowed, and shall be paid by the Official Liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement



and affidavit as the Official Liquidator may consider reasonable, subject to an appeal to the [Tribunal].

(5) If any person, without reasonable excuse, makes default in complying with any of the requirements of this section, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one thousand rupees for every day during which the default continues, or with both.

(5A) The [Tribunal] by which the winding up order is made or the provisional liquidator is appointed, may take cognizance of an offence under sub-section (5) upon receiving a complaint of facts constituting such an offence and trying the offence itself in accordance with the procedure laid down in the Code of Criminal Procedure 1898 (5 of 1898), for the trial of summons cases by magistrates.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times, on payment of the prescribed fee, to inspect the statement submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code, 1860 (45 of 1860); and shall, on the application of the Official Liquidator, be punishable accordingly.

(8) In this section, the expression "the relevant date" means, in a case where a provisional liquidator is appointed, the date of his appointment, and in a case where no such appointment is made, the date of the winding up order."

26. In the present case, by an Order dated 23.02.2016, the learned Single Judge directed the Directors of the Appellant Company to file their statement of affairs within 21 days, and further directed that their statements be recorded under Rule 130 of the Company Rules.

27. Pursuant thereto, Mr. Anil Sharma, an ex-director of the Appellant Company, submitted his statements under Rule 130 on 12.05.2016 and again on 11.09.2017. Significantly, in the latter statement, he appended a handwritten note unequivocally undertaking to "*bear all the official liquidator expenses i.e., security expenses since 26.04.16...*". This undertaking was given without any qualification or reservation as to the ownership of specific assets.



28. It is a matter of record that the aforesaid undertaking was acted upon by the learned Single Judge when, by its Order dated 12.12.2017, it recalled the winding-up Order subject to the deposit of Rs.18 Lakhs together with additional expenses. That Order explicitly referred to the subject property as an asset of the Appellant Company, which was passed in the presence of the Appellant's counsel; no objection was raised, and the Appellant chose not to challenge it.

29. The subsequent Order dated 03.10.2018, which clarified that the powers of the Official Liquidator would continue, owing to non-payment of the directed amounts, also went unchallenged.

30. It is, therefore, manifest that the Appellant neither availed the statutory remedy of appeal against the Order dated 12.12.2017 nor against the subsequent clarificatory Order dated 03.10.2018, both of which explicitly treated the subject property as an asset of the Appellant Company and unequivocally stipulated that the security expenses incurred for its protection were to be borne by the Appellant. These Orders have therefore attained finality.

31. It was only after the passing of these Orders, and after they had remained unchallenged, that Mr. Anil Sharma, the ex-director, belatedly raised an objection for the first time, contending that the subject property did not belong to the Appellant Company but to *M/s. Connoisseur Infrabuild Pvt. Ltd.*

32. We are constrained to reiterate that the statutory framework under the Companies Act, read with Rule 130 of the Company Rules, casts a clear and solemn obligation upon directors and responsible officers of a company under winding up, to furnish a full, complete, and accurate disclosure of its affairs, verified on affidavit, including details of assets, liabilities, debts, and claims.



33. The efficacy and integrity of the liquidation process are wholly dependent on the truth and completeness of such disclosures, for the Official Liquidator cannot discharge his statutory functions of securing, managing, and realizing assets or protecting creditors' interests unless he is equipped with correct and reliable information. Any failure, suppression, or misrepresentation strikes at the very foundation of the liquidation machinery, prejudices creditors and stakeholders, and exposes the defaulting officers to civil and penal consequences, while also estopping them from subsequently adopting inconsistent or contrary positions.

34. In the present case, the record unequivocally establishes that at no stage prior to the Orders dated 12.12.2017 and 03.10.2018 did Mr. Anil Sharma, in his statements under Rule 130 of the Company Rules, disavow liability for the security expenses of the subject property. On the contrary, his conduct and undertakings, as recorded in the said Orders, consistently demonstrated acceptance of this liability.

35. This acceptance is further fortified by the handwritten undertaking dated 11.09.2017, wherein Mr. Anil Sharma clearly agreed to "*bear all the official liquidator expenses i.e., security expenses since 26.04.16...*". Notably, the Appellant has not claimed that these expenses pertain to any asset other than the subject property, leaving no room for doubt that the undertaking directly relates to the plot in question.

36. The Official Liquidator was therefore fully justified in relying upon these clear and unambiguous representations, which constituted a binding acknowledgment of liability, and acted in a *bona fide* manner to secure and protect what was presented as an asset of the Appellant Company.



37. The argument of the Appellant that Official Liquidator has failed to discharge its duties, without discharging its own statutory obligation, meaning thereby that all responsibility in respect of provision of details, in the first instance by the Appellant is to be ignored and only the Official Liquidator's duty to verify is to be considered, in our view, would not be proper.

38. The Appellant seeks to, by the said contention, absolve itself of its statutory duty and foist upon and fasten the liability, singularly, upon the Official Liquidator. Given that the primary responsibility vested upon the Appellant, and in the discharge of which, there has been manifest failure, we do not consider it appropriate to, on this ground, allow the plea of the Appellant.

39. We further note that the subject property was, at the relevant time, owned by the Appellant Company, of which Mr. Anil Sharma was a director, and that a **Memorandum of Understanding dated 02.11.2011⁵**, placed on record, clearly establishes that the Appellant Company is the exclusive owner of the subject property.

40. Considering the totality of the circumstances, *namely*:

- (i) The existence of the MoU, executed by Mr. Anil Sharma as the Authorized Signatory of the Appellant Company, which confirms ownership of the subject property,
- (ii) The failure to provide complete disclosures in the 2016 statement, followed by the clear and unqualified undertaking in 2017 to bear all security expenses, and
- (iii) The passage of two judicial Orders dated 12.12.2017 and 03.10.2018, which specifically identified the plot as the

⁵ MoU



Appellant's asset and imposed liability for all associated expenses, and which were never challenged by the Appellant, We are of the firm opinion that the Appellant's present challenge is wholly untenable and cannot be sustained.

41. The attempt by the Appellant to now repudiate its director's unequivocal undertakings and to challenge the implications of the unchallenged court Orders is nothing more than a belated and technical objection, which is squarely barred by the well-established principles of estoppel and waiver. The Official Liquidator acted entirely *in bona fide* reliance on the representations and undertakings of the Appellant, securing what was presented as an asset of the company under liquidation, and did so in strict compliance with the statutory mandate and the directions of the Court.

42. The Appellant's unexplained delay in raising this objection, only after obligations under binding court Orders had been incurred, fatally undermines the credibility of its present claim. Such a belated plea cannot be allowed to thwart the lawful and *bona fide* actions of the Official Liquidator, who was executing his statutory duties with diligence and in good faith.

43. In view of the foregoing, it is clear that the acts undertaken by the Official Liquidator, as affirmed by the Impugned Order, were wholly reasonable and founded on a *bona fide* belief, which was directly informed by the statements, undertakings, and conduct of the officers of the Appellant Company.

44. We also find no merit in the ancillary contention, vaguely advanced, that the Rule 130 statements were procured under coercion. These allegations remain unparticularized, unsupported by any credible evidence, and also were never raised at the relevant time.



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45. For all these reasons, we hold that the Appeal is wholly devoid of merit and must fail. The Impugned Order dated 20.04.2022 is accordingly affirmed, and the present appeal is dismissed.

46. The Appellant Company is directed to make the payment of the security charges within a period of four weeks from today.

47. With the aforesaid directions, the present Appeal, along with pending application(s), if any, stands disposed of.

48. No Order as to costs.

ANIL KSHETARPAL, J.

HARISH VAIDYANATHAN SHANKAR, J.
OCTOBER 17, 2025/tk/sm/ds