



2025:DHC:3385-DB



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

Date of decision: 29<sup>th</sup> APRIL, 2025

IN THE MATTER OF:

+ **CO.APP. 5/2025 & CM APPL. 25411/2025**

VIJAY KUMAR VERMA .....Appellant

Through: Mr. Dhiraj Sachdeva, Adv.

versus

.....

.....Respondent

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

**CORAM:**

**HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD**

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

**SHANKAR**

**JUDGMENT (ORAL)**

**SUBRAMONIUM PRASAD, J.**

1. The instant Appeal has been filed by the Appellant challenging the Order dated 20.02.2025 passed by the learned Single Judge in Company Application being Co. Appl. No. 1052/2024 in Company Petition No. 188/1999, wherein the learned Single Judge has observed as under:

**"CO. APPL. 1052/2024**

*27. The present application has been filed by the applicant seeking permission to represent his interest in the proceedings with respect to the affairs of the company under liquidation and participate in the proceedings.*

*28. The company has already been wound up and the*



*properties of the company in liquidation have also been sold.*

*29. The applicant, who is an Ex-Director, cannot be permitted to participate in the pending proceedings before this Court.*

*30. The application is, therefore, dismissed.”*

2. A brief contextual background of the present Appeal, is that the Appellant is the ex-Director and Shareholder of the M/s Continental Textile Mills Limited (in liquidation) (“**the Company**”). By way of an order dated 05.10.2001, a Coordinate Bench of this Court had directed the winding up of the Company, and subsequently on 18.10.2002, the Official Liquidator had taken possession of the property of the Company situated at Naroda Road, Near Arvind Mills, Opp. Asarwa Railway Station, Asarwa Taluka City, Ahmedabad (Gujarat). The said property was auctioned to M/s Jupiter Laminators Pvt. Ltd. for approximately Rs. 167 crores and the possession to the auction purchaser was handed over on 30.10.2023.

3. By way of Co. Appl. No.1052/2024, the Appellant sought permission from the learned Single Judge to represent his interest in the proceedings. The said application has been dismissed by the learned Single Judge stating that since the company has been wound up and the properties of the company in liquidation have been sold, the Appellant cannot be permitted to participate in the pending proceedings before the Court.

4. This Court has heard the Appellant herein and perused the material on record.

5. It is trite law that when a company is ordered to be wound up or a provisional liquidator appointed, any legal proceeding by a company,



therefore, has to be instituted, by the official liquidator or the provisional liquidator, as the case may be, but in the name and on behalf of the company and the directors will have no right to institute such legal proceeding since the company no more acts through its directors.

6. The Appellant has not been able to show any provision under the Companies Act or any case law contrary to the established legal position, whereby an ex-Director/Shareholder can be permitted to represent his interest in the proceedings, after the assets have been sold off.

7. The Company is under liquidation. The Official Liquidator is in charge of the company. The amounts are being disbursed only after obtaining permission from the Company Court under and as per the scheme of the Companies Act.

8. This Court finds no merit in the present appeal and we are of the firm view that there is no infirmity in the Impugned Order dated 20.02.2025 passed by the learned Single Judge.

9. Accordingly, the appeal is dismissed along with pending application(s), if any.

**SUBRAMONIUM PRASAD, J**

**HARISH VAIDYANATHAN SHANKAR, J**

**APRIL 30, 2025**

hsk/ap