CHAITANYA ASHOK JADHAV
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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

OFFICIAL LIQUIDATOR REPORT NO. 457 OF 2014
WITH
OFFICIAL LIQUIDATOR REPORT NO. 380 OF 2016
WITH
OFFICIAL LIQUIDATOR REPORT NO. 93 OF 2026
IN
COMPANY PETITION NO. 900 OF 2005

In the matter of Mafatlal Dyes & Chemicals Ltd. (In Liqn.)

M/s. Mafatlal Dyes and Chemicals Limited ...Petitioner

WITH
INTERIM APPLICATION (L) NO. 13581 OF 2024
IN
OFFICIAL LIQUIDATOR REPORT NO. 457 OF 2014

Yasmin Mohamed Yunus Valibhoy ...Applicant

Versus

M/s. Mafatlal Dyes and Chemicals Limited ...Respondents

WITH
INTERIM APPLICATION (L) NO. 11880 OF 2026
IN
OFFICIAL LIQUIDATOR REPORT NO. 93 OF 2026
IN
COMPANY PETITION NO. 900 OF 2005

Sheetal Mafatlal @ Sheetal Manhar Bhagat ...Applicant

Versus

Vinyl Chemicals (India) Ltd. and Anr. ...Respondents

WITH
INTERIM APPLICATION NO. 5737 OF 2026
IN
COMPANY PETITION NO. 900 OF 2005

Gayatri Jhaveri ...Applicant

Versus

Mafatlal Dyes and Chemicals Limited. ...Respondents

WITH
INTERIM APPLICATION (L) NO. 25259 OF 2024
IN
COMPANY PETITION NO. 900 OF 2005

Sheetal Mafatlal also Known as Sheetal Manhar Bhagat ...Applicant

Versus

The Official Liquidator, High Court, Bombay and Anr. ...Respondents

WITH
INTERIM APPLICATION (L) NO. 25274 OF 2024
IN
COMPANY PETITION NO. 900 OF 2005

Sheetal Mafatlal also Known as Sheetal Manhar Bhagat ...Applicant

Versus

The Official Liquidator, High Court, Bombay and Anr. ...Respondents

WITH
INTERIM APPLICATION (L) NO. 22315 OF 2026
IN
COMPANY PETITION NO. 900 OF 2005

Gayatri Jhaveri ...Applicant

Versus

Vinyl Chemicals (India) Ltd. and Anr. ...Respondents

Mr. Bhavesh Parmar *a/w Rajesh Sahani, Mr. Pritham Kunvare i/b Mr. Devmani Shukla, for Applicant in IAL/22315/2026 and IAL/5737/2026.*

Ms. Meena A. Ruparel *for Intervening Applicant in IA/13581/2024.*

Mr. Karl Tamboly *a/w Mr. Ryan D'Souza, Mr. Shivam Laturiya & Mr. Utkarsh Sanadi i/b APS Law Associates for Respondents.*

Ms. Jyoti Chavan, *Addl.G.P., for the State of Maharashtra.*

Mr. Ranjeev Carvalho *for Official Liquidator.*

Mr. Satyajit Roul, *Official Liquidator, Mr. Chetan Shelke, Dy. Official Liquidator.*

CORAM: SOMASEKHAR SUNDARESAN, J.

DATE: OCTOBER 21, 2026

Judgement:

Context and Factual Background:

1. Mafatlal Dyes and Chemicals Ltd. ("***Company***") was ordered to be wound up by the Company Court on July 19, 2010 in the captioned Company Petition No. 900 of 2005, presented by Vinyl Chemicals (India) Ltd. due to its inability to pay its debts, attracting the jurisdiction of the Official Liquidator ("***OL***").

2. The captioned three Official Liquidator Reports ("***OLRs***") fall for consideration along with the respective Interim Applications taken out in them. They are all filed at different stages of the same line of enquiry – relating to 44 paintings of reputed Indian artists ("***Subject Paintings***"). The Subject Paintings were seized by the Crime Branch under a *panchanama* dated January 18, 2014 in the course of criminal proceedings that flowed from *inter se* complaints by members of the family of the Late Mr. Yogindra Mafatlal, which is the promoter family of the Company.

3. The Subject Paintings are now stored under the care of the Sir J. J. School of Art, in the deemed possession of the Company Court. Five of the Subject Paintings ("***Identified Paintings***"), listed at Sr. Nos. 2, 9, 12, 14 and 17 of the

seizure list that forms part of the record, have been identified by the Mumbai Police as belonging to the Company.

4. The Company's promoters have been engaged in a three-way fight amongst Mr. Atulya Mafatlal ("***Atulya***"), the son of the Late Mr. Yogindra Mafatlal, his brother Mr. Ajay Mafatlal ("***Ajay***", originally, Ms. Aparna Mafatlal, before gender reassignment) and Ms. Sheetal Mafatlal ("***Sheetal***"), who was married to Atulya. Another sibling, Gayatri Jhaveri ("***Gayatri***"), who claims through Ajay and through her parents is also in the fray in the proceedings before the Company Court.

5. Whether the Identified Paintings are assets of the Company, available for disposal, with proceeds being used for the benefit of its creditors and other stakeholders, or whether they are the private property of one or other members of the Mafatlal Family, falls for consideration.

Overview of the OLRs:

6. An overview of what the three OLRs seek would be appropriate:

A] OLR No. 457 of 2014 ("***OLR 457***") is the first and the foundational one. The OL sought directions to the ex-directors of the Company to file

the Statement of Affairs under Section 454 of the Companies Act, 1956 ("***the Act***") and to hand over the books of account and records. OLR 457 also seeks directions for the purpose of ascertaining the status of ownership of the Subject Paintings, and once ownership of the Company is established, a direction to the police authorities to hand them over to the OL[1]. In the course of adjudicating OLR 457, the objection as to the jurisdiction of the Company Court to decide a question of title against a third party was raised by Sheetal and answered in the affirmative by an order dated December 7, 2015, and in which the directions were given enabling her to lead evidence;

B] OLR No. 380 of 2016 ("***OLR 380***") was taken out after the opportunity to lead evidence had been closed, seeking to move the process to the consequential stage – seeking leave to sell the Subject Paintings as property of the Company, the appointment of a valuer, and facility of inspecting the Subject Paintings[2]; and

[1] *Prayers are at Paragraph 12 – Pages 118 and 119 of the Convenience Compilation*
[2] *Prayers are at Pages 189 and 190 of the Convenience Compilation*

C] OLR No. 93 of 2026 ("***OLR 93***") is restricted to the five Identified Paintings[3], seeking determination of the reserve price and the earnest money deposit, and approval of the issuance and publication of the Sale Notice and the Terms and Conditions of Sale.

7. For completeness, it may be mentioned that two earlier and intermittent OLRs – OL Report No. 205 of 2015 and OL Report No. 53 of 2025 – were disposed of by orders dated June 24, 2025 and December 19, 2025 respectively. The former was disposed of with a direction to file a fresh Report for valuation and sale, and the latter was allowed on December 19, 2025, when Mr. Dadiba Pundole was appointed valuer.

Overview of the IAs:

8. The Interim Applications are taken out by three rival claimants to the Subject Paintings – these are outlined below:

A] Sheetal, claiming to own all the Subject Paintings, has filed Interim Application (L) No. 25274 of 2024[4] in OLR 457 and Interim Application (L)

[3] *The Paintings are listed at Exhibit B of OLR 93 and the prayers are at Paragraph 15 at Pages 881 and 882 of the Convenience Compilation*
[4] *Pages 803 to 832 of the Convenience Compilation*

No. 25259 of 2024[5] in OLR 380. The two Interim Applications are identical except for having been filed in different OLRs at different points in time. They seek a direction to the OL to hand over the 44 Subject Paintings to Sheetal, with interim reliefs covering the remaining 39 Subject Paintings ("***Remaining Paintings***"). Interim Application No. 11880 of 2026[6] in OLR 93 opposes the sale of the five Identified Paintings and asserting title to all 44 Subject Paintings. These Interim Applications are titled "***Sheetal IAs***";

B] One Ms. Yasmin Mohamed Yunus Valibhoy ("***Yasmin***") has filed Interim Application (L) No. 13581 of 2024 in OLR 457 ("***Yasmin IA***"). Yasmin does not claim the Subject Paintings but seeks to intervene to cross-examine Sheetal, and to place on record the criminal proceedings instituted by her against Sheetal in order to establish that the Subject Paintings do not belong to her[7];

C] Gayatri, claiming to be the legal heir of Ajay and of her parents, and being a shareholder and contributory of the Company, has taken out

[5] *Pages 833 to 862 of the Convenience Compilation*
[6] *Pages 1120 to 1159 of the Convenience Compilation*
[7] *Prayers are at Pages 759 and 760 of the Convenience Compilation*

Interim Application (L) No. 22315 of 2026 ("***Gayatri IA***") directly in the captioned Company Petition. She seeks to intervene and to be declared the owner of the Remaining Paintings, with a direction that possession be handed over to her[8].

9. Gayatri had earlier filed Interim Application (L) No. 7236 of 2024, seeking, like Yasmin, intervention and the cross-examination of Sheetal. It was disposed of as withdrawn by order dated December 19, 2025, the reliefs sought in it having become infructuous by virtue of an order dated March 1, 2024[9], by which Sheetal explicitly recorded that she would not lead evidence to demonstrate her title to the Subject Paintings and step into the witness box ("***Sheetal Evidence Retraction Order***"). Documents relating to the criminal proceedings against Sheetal, which Yasmin had sought to bring on record, have been placed on record by Gayatri in the Gayatri IA.

10. Before setting out the framework of analysis, the tortuous journey of facts that led to the aforesaid proceedings must be outlined, as briefly as possible, without losing out on material detail.

[8] *Prayers are at Pages 931 and 932 of the Convenience Compilation and the list of the remaining Subject Paintings is at Pages 954 and 955 of the Convenience Compilation*
[9] *Pages 873 to 875 of the Convenience Compilation*

Criminal Proceedings Inter Se the Mafatlals:

11. On August 17, 2011 Marushka Atulya Mafatlal, Sheetal's step-daughter, lodged Magistrate Enquiry Criminal Register Case No. 11 of 2011[10] ("***MECR 11***") at the Gamdevi Police Station under Sections 380, 405, 406, 411 and 414 read with Section 120B of the Indian Penal Code, 1860 ("***IPC***"), alleging theft (and related crimes) in relation to various paintings and an art chair from the residence of the Mafatlal Family ("***Mafatlal Bungalow***").

12. On the very same day Sheetal too lodged a criminal complaint bearing Crime Register No. 188 of 2011 ("***CR 188***") at the same police station under Sections 498A and 406 read with Section 34 of the IPC, alleging matrimonial cruelty, dowry harassment and withholding '*stridhan*', against Marushka, Atulya and other members of the Mafatlal Family. Sheetal also commenced proceedings against them under the Protection of Women from Domestic Violence Act, 2005 ("***DV Act***") before the Metropolitan Magistrate, 40th Court, Girgaum.

13. It is noteworthy that MECR 11 complained of *35 paintings* being stolen (*not 44 paintings*). The police recovered 31 paintings, of which 10 were found in

[10] *Pages 5 to 37 of the Convenience Compilation*

Yasmin's residence. At that stage, Sheetal and Yasmin, her friend, were aligned. They would have a falling out later. The paintings were not removed by the police. They were left where they stood, against a written undertaking from Sheetal and Yasmin that they would not be shifted or disposed of without the permission of the police[11].

14. Meanwhile, Marushka filed Criminal Writ Petition No. 2770 of 2011 ("***WP 2770***"), while Gayatri and Kunti Shah, another sibling of Atulya, Ajay and Gayatri filed Criminal Writ Petition No. 2771 of 2011 ("***WP 2771***"), each seeking quashing of CR 188 set in motion by Sheetal. Atulya would later file Criminal Writ Petition No. 2861 of 2012 ("***WP 2861***") towards the same end.

15. In the course of hearing WP 2770 and WP 2771, a Learned Division Bench referred the members of the Mafatlal Family to mediation by Mr. Rafique Dada, Learned Senior Advocate, and stayed the proceedings initiated by them against one another, by an order dated October 13, 2011[12] The mediation resulted in Consent Terms dated July 2, 2012[13] ("***Consent Terms***"), in which, Clause 7(b) read thus:

[11] *Paragraph 2(c) of an Affidavit dated March 9, 2015 filed by the Mumbai Police in the Company Court*
[12] *Pages 38 and 39 of the Convenience Compilation*
[13] *Pages 40 to 60 of the Convenience Compilation*

> *"b] Further in this regard, it is agreed between the parties herein that the* ***Art that is the subject matter of the said Complaint shall be retained by Mrs. Sheetal Mafatlal who shall be entitled to the possession and enjoyment thereof.*** *Further it is agreed that* ***Mr. Atulya Mafatlal, Ms. Marushka Atulya Mafatlal, Mr. Varun Atulya Mafatlal and Mrs. Kunti Shah expressly agree and declare that they do not have and shall not have nor make any claim, right or title over the same*** *in any manner whatsoever nor shall any person claiming through or under them have, or claim any right, title or interest to or in respect of the said Art"*
>
> ***[Emphasis Supplied]***

16. Gayatri, who was a Petitioner in WP 2771 did not execute Consent Terms and stood outside the settlement, which is the basis of her pursuit of the Gayatri IA. However, as regards the others, pursuant to the Consent Terms, WP 2770 was allowed on August 7, 2012[14] and CR 188 was quashed as against Marushka. By order dated August 9, 2012[15], on Sheetal's Criminal Application No. 429 of 2012 filed in WP 2771, MECR 11 lodged by Marushka against Sheetal was also quashed. By order dated August 22, 2012[16], WP 2861 was allowed to quash CR 188 as against Atulya.

17. Sheetal's foundation of claim to the 44 Subject Paintings is Clause 7(b) of the Consent Terms (extracted above), which settled disputes among members of

[14] *Pages 61 to 63 of the Convenience Compilation*
[15] *Pages 64 and 65 of the Convenience Compilation*
[16] *Pages 66 and 67 of the Convenience Compilation*

the Mafatlal Family with a declaration that their allegation against Sheetal would not be pressed and that Sheetal would not press her allegations of harassment and domestic violence against the Mafatlal Family members who executed the Consent Terms.

18. It is noteworthy is that the Consent Terms covered the art covered by MECR 11, which had levelled allegations about 35 paintings and not 44 paintings. It is also noteworthy that in her statement recorded before the Mumbai Police on July 12, 2011[17], Sheetal has confirmed removing 47 paintings and two artefacts from the Mafatlal Bungalow through her manager Manoj Shah. Therefore, Sheetal having admittedly removed 47 paintings and two artefacts, the Mafatlal Family was conscious only about 35 paintings having been removed. The Consent Terms settled the *inter se* disputes among them to the extent of 35 paintings that were subject matter of MECR 11.

19. On the face of the arithmetic, the Consent Terms cannot cover all 44 paintings even if one were to presume that the Consent Terms could somehow bind the Company. What is clear is that the Consent Terms did not purport to confer title on Sheetal on the face of the record. It was recorded that the members of the Mafatlal Family had disclaimed all right, title and interest in the

[17] *Pages 738 and 739 of the Convenience Compilation*

Subject Paintings. They agreed that Sheetal would have possession and enjoy such possession of the paintings. This, in no manner, could be dispositive of whether the Company did or did not own the Subject Paintings and cannot bind the OL, more so bearing in mind the Consent Terms were among members of the promoter family under whose watch the Company had to move to liquidation.

20. If the members of the Mafatlal Family kept possession of paintings paid for by the Company in the Mafatlal Bungalow and later fought over the said paintings, trading criminal charges, to eventually settle their fight among themselves, the Consent Terms cannot add weight to the question of whether the paintings belonged to the Company or to anyone else. Evidently, apart from the Consent Terms and in particular Clause 7(b) therein, and the fact that eventually, the Mumbai Police seized the paintings from premises in her possession, Sheetal has nothing to lean on to support her claim for entitlement to the 44 Subject Paintings. At their highest, the Consent Terms (in settling *inter se* disputes among the Mafatlal Family) would cover the 35 paintings that were subject matter of MECR 11 without affecting anyone who was not a party to the Consent Terms.

21. Things would take a new turn later. On the strength of the Consent Terms, Sheetal would move the Learned Additional Chief Metropolitan Magistrate, Girgaum, for return of the 31 paintings. This prayer was granted by order dated September 24, 2012. On October 4, 2012, the Mumbai Police went to the flats where the paintings were directed to be kept along with Sheetal to take possession and hand the paintings over to her. At this point, Sheetal contended that fake paintings were being given to her and these were not originals. This led to the next round of criminal proceedings.

22. Sheetal filed a first information report being C.R. No. 277 of 2012 ("***CR 277***") under Section 406 read with Section 34 of the IPC, alleging criminal breach of trust against Yasmin and two others. On Sheetal's grievance that the investigation was not being properly conducted, CR 277 was transferred on December 6, 2012 to the V.P. Road Police Station, and again on October 19, 2013 to the D.C.B., C.I.D., Unit-II, where it was renumbered as C.R. No. 104 of 2013 ("***CR 104***").

23. It was in answer to a questionnaire from the Mumbai Police in investigation of CR 104 that Yasmin produced a print of the Asset Register of the Company and alleged that the paintings belonged to the Company. Yasmin's

allegation was reported in the Mumbai Mirror on January 6, 2013[18] which led to the OL taking note and getting involved. The OL wrote to the Mumbai Police on January 29, 2013 asking for a report on the outcome of the investigation since the Company had been ordered to be wound up by order dated July 19, 2010, and if assets of the Company are found, an appropriate report would need to be made to the Company Court.

24. A year later, on January 18, 2014, in the course of investigations into CR 104, the D.C.B., C.I.D., Unit-II seized the 44 Subject Paintings at the instance of Manoj S. Shah, Sheetal's manager, from her rented office premises at Princess Street, Mumbai, under a recovery *panchanama*[19] list ("***Seizure List***"). Therefore, the 44 Subject Paintings were found at Sheetal's premises.

25. Eventually, after completing investigations, the Mumbai Police filed a 'B Summary' closure report, which was accepted by an order dated May 8, 2015, by the Learned Additional Chief Metropolitan Magistrate, 37th Court, Esplanade. CR 104 was closed, with a finding that Sheetal's complaint was false. Appropriate action was permitted to be taken against her. The following findings[20] were recorded:

[18] *Page 68 of the Convenience Compilation*
[19] *List is at Pages 3 and 4 of the Convenience Compilation*
[20] Paragraph 42 at Page 1020 of the Convenience Compilation

"42) If all the facets discussed above are seen together, those can be concluded as under:

*[i] **After carrying the paintings and other articles this Sheetal has stored it at Wadala, then, photographed it with the help of Vikram Bawa and Shweta Wahwaikar then, with help of Vikram Bawa approached Photokina got its prints and those were got framed from Ambasolia and all these activities are carried out prior to seizure panchanama at the flat of Yasmin Valibhoy by Mr. Kanade.***

*[ii] The further link makes clear that, that **with help of Manager Manoj Shah, this Sheetal carried original paintings and articles at his office at Fort where from those are seized by Crime Branch**. If, this is so, **it reveals that throughout of the period i.e. from carrying the articles from Mafatlal Bungalow till seizure of articles** this Sheetal was **having command over those and instead of that the ground has been raised by her that the photographs which were seized by Gamdevi Police Station are original paintings** and those are replaced by accused trio."*

[Emphasis Supplied]

26. This led to C.R. No. 142 of 2015 (renumbered C.R. No. 73 of 2015) being registered against Sheetal on July 2, 2015 under Sections 465, 468, 471, 420 and 182 read with Section 211 of the IPC, alleging forgery, cheating, filing of false reports and making malicious criminal charges, against Sheetal.

27. Sheetal's challenge to the closure report in Criminal Writ Petition No. 3902 of 2016 ("***WP 3902***") was dismissed with costs by this Court on April 2, 2019[21],

[21] Pages 1022 to 1032 of the Convenience Compilation

permitting the State to prosecute her for making a false complaint. The Supreme Court dismissed Special Leave Petition (Criminal) No. 3297 of 2019 on July 18, 2019[22], leaving all contentions open, but effectively bringing to an end the challenge to the closure report, effectively closing CR 104 filed by Sheetal.

Analysis and Conclusions:

28. Against this factual backdrop, I have heard at length, Mr. Ranjeev Carvalho, Learned Advocate on behalf of the OL, Mr. Karl Tamboly, Learned Advocate on behalf of Sheetal, Mr. Bhavesh Parmar on behalf of Gayatri and Ms. Meena A. Ruparel on behalf of Yasmin. By consent of parties, a consolidated Convenience Compilation cutting across the material on record, and a detailed List of Dates compiled by Mr. Carvalho was taken on record and examined with the assistance of the Learned Advocates for the parties.

29. To summarise the positions of the parties, at this stage, in OLR 93, the OL only seeks directions for disposal of only the five Identified Paintings, particularly bearing in mind that disposal of the Identified Paintings may be adequate for discharging all the debts of the Company in the liquidation process. Sheetal contends that all Subject Paintings belong to her. Gayatri claims to be entitled to

[22] Page 1033 of the Convenience Compilation

the Remaining Paintings and concedes that the five Identified Paintings belong to the Liquidation Estate of the Company. Yasmin, who has fallen out with Sheetal, is primarily interested in cross-examining Sheetal to prove her wrong.

30. Suffice it to say, none of the private parties has brought forth positive evidence to prove title. Each makes varying claims about the extent to which the Subject Paintings do not form part of the Liquidation Estate. One would need to examine if any of these Applicants is able to demonstrate, with any reasonable basis, the title they claim to the extent they claim it, and if they have *locus* to contend that the Company did not own the paintings, particularly bearing in mind their own conduct.

31. As a separate matter, whether the Subject Paintings or the Identified Paintings form part of the Liquidation Estate is to be considered. It is with a positive finding of the Identified Paintings forming part of the Liquidation Estate, that sale of the Identified Paintings and disposal of the corresponding proceedings can be approved under OLR 93. Each of these facets is dealt with in the following paragraphs.

Sheetal's Claim and Conduct:

32. Sheetal's claims and conduct in these proceedings have been remarkable and speak for themselves. Sheetal was afforded multiple opportunities stretched over a decade to prove her claim. It would be necessary to outline her conduct and attitude to the Company Court to appreciate her claim and thereby deal with the Sheetal IAs.

33. Sheetal claims title to all 44 Subject Paintings but has positively refrained from entering the witness box despite having been given a very long rope by multiple benches of this Court, including in appellate rounds. Costs too have been imposed when enabling Sheetal to lead evidence even while rejecting her contentions about the lack of jurisdiction in the Company Court. Yet, no evidence was led. Eventually, she did purport to file an affidavit from London without compliance with due process, which too she was permitted to rectify. However, Sheetal withdrew even the non-compliant affidavit by confirming to the Company Court that she did not intend to lead any evidence. The journey of Sheetal's multiple motions, appeals and liberties sought and granted would need to be outlined to get a sense of her conduct.

34. OLR 457 had been preferred on November 19, 2014[23]. By order dated December 19, 2014, prayer clause (a) of OLR 457 was allowed, thereby directing

[23] *Pages 114 to 119 of the Convenience Compilation*

the ex-directors of the Company to file the Statement of Affairs as required under Section 454 of the Act and to hand over the books of account and records of the Company to the OL, and the police were directed to file an affidavit setting out the progress of the investigation[24]. On February 13, 2015 the learned AGP stated that only one painting had so far been established to belong to the Company, that receipts were available for three others, and that for the remaining forty there were none. The Sir J.J. School of Art was directed not to part with any painting without leave of the Court. By affidavit dated March 9, 2015 ("***Police Affidavit I***"), the Assistant Police Inspector, D.C.B., C.I.D., Unit-II, identified five paintings, being those at Sr. Nos. 2, 9, 12, 14 and 17 of the Seizure List i.e. the Identified Paintings, as belonging to the Company[25].

35. That finding was recorded by order of the Company Court dated March 9 2015[26], and was further reiterated by another affidavit of the Mumbai Police ("***Police Affidavit II***") dated July 31, 2015, which added that the e-mails produced by Sheetal to show that the paintings had been gifted to her by foreign

[24] *Pages 120 to 122 of the Convenience Compilation*
[25] *Paragraphs 3(b), 4(a), 4(b) and 5 of Police Affidavit I at Pages 123 to 131 of the Convenience Compilation*
[26] *Pages 132 to 135 of the Convenience Compilation*

friends were not genuine and had been prepared on her instructions, as deposed to by Ms. Shanty Payas, her then Private Secretary[27].

36. Sheetal's first approach to the Company Court was by Affidavit in Reply dated May 6, 2015 in OLR 457 referred to in the orders as the affidavit dated May 5, 2015[28]. Her stance was founded on two main grounds: jurisdictional (that the Company Court lacked jurisdiction to adjudicate disputes between the OL and third parties); and on merits (that the Asset Register was a fabricated and got-up extract because the paintings found no mention in the Annual Reports and audited accounts and that the paintings belonged to her under the Consent Terms)[29].

37. These two facets have governed everything in these proceedings since then. There is nothing in Sheetal's affidavit that asserts title. She has not adduced a single instrument even circumstantially in support of her title to the Subject Paintings. This has been noted by the Company Court (*K.R. Shriram J.*) in the order dated December 7, 2015 ("***December 2015 Order***"), in the following words[30]:

[27] *Paragraphs 6 to 10 of Police Affidavit II at Pages 156 to 158, the affidavit being at Pages 153 to 158 of the Convenience Compilation*
[28] *Pages 137 to 152 of the Convenience Compilation*
[29] *Paragraphs 2 to 5 at Pages 139 to 141 of the Convenience Compilation*
[30] *Pages 159 to 178 of the Convenience Compilation*

"15 It is Sheetal Mafatlal who is claiming to be entitled to the possession and enjoyment of the 44 paintings. Sheetal Mafatlal in her affidavit filed states that the paintings belong to her and are a part of her valuable property. Nowhere does she say that she has title to the paintings. Be that as it may, the onus is on Sheetal Mafatlal to prove that she is the rightful owner of these paintings and she has title to these paintings ... Even if she says that she got possession thereof under a family settlement, still she will have to prove that the family members had powers to confer on her this right.

17 In view of the above, Sheetal Mafatlal to file an affidavit in evidence together with compilation of documents to prove that the 44 paintings lawfully/legally belong to her, that she is entitled thereto and she has title to those paintings and serve a copy thereof upon the Official Liquidator not later than 11th January, 2016. Ofcourse, the Official Liquidator will be entitled to cross examine and file further evidence as well to prove otherwise.

18 As the paintings are of high value and the petition has been pending since 1996, it is necessary that the issue of title to the paintings is decided quickly. Therefore, it is made clear that no further time will be granted to Sheetal Mafatlal to file her evidence and compilation of documents.

19 As regards prayer clauses - (b), (c) and (d) in the Official Liquidator's Report, to the extent it relates to the paintings, the Official Liquidator may file further report after the issue of title to the paintings claimed by Sheetal Mafatlal is determined. As regards the other articles contained in prayer clauses - (c) and (d), the Official Liquidator may list those articles and file further reports as necessary.

20 As regards prayer clause - (a) in the Official Liquidator's Report, the ex-directors of the company (in liquidation) are directed to file within four weeks, the Statements of Affairs to the extent not submitted, as required under section 454 of the

Companies Act, 1956 and handover the books of account/record of the company (in liquidation) to the Official Liquidator to enable the Liquidator to further in winding up proceedings.

21 Mr. Atulya Mafatlal, an ex-director of the company is directed to (a) file an affidavit in order to indicate his stand, with the necessary material, as to (i) original ownership of paintings; (ii) Fixed Asset Inventory; (iii) explain as to how the statutory auditor could have examined all records such as cash book, bank book, sale register, purchaser register, expense vouchers, sales invoice, purchase invoice, general ledger, stock register, minute book and list of fixed assets (containing location of fixed assets) if the account of records were lost in the floods of 26th July, 2005 and (b) produce the records mentioned in para 4(iii) that were perused by the Statutory Auditors for preparing Balance Sheets for the period between 11th January, 2006 to 31st March, 2007. This affidavit to be filed and copy served on the Official Liquidator on or before 5th January, 2016.

22 The Official Liquidator's representative is directed to take inventory and/or inspection and/or physical possession of the records from the factory premises at Bhiwandi, if not done already."

[Emphasis Supplied]

38. Yet, the direction that no further time would be granted proved to be the beginning, and not the end, of the indulgence enjoyed by Sheetal through multiple rounds. No affidavit was filed by January 11, 2016. By order dated February 5, 2016 the Company Court recorded her non-compliance by her and by

Atulya. The Court extended the time to file an affidavit of evidence "*as and by way of last chance*" to February 18, 2016, and directed as follows:

> *"3 Stand over to* ***4th March, 2016 at 3.00 p.m., on which date Mrs. Sheetal Mafatlal to remain present in court for marking of documents*** *and* ***cross examination****."*
>
> ***[Emphasis Supplied]***

39. Sheetal neither filed any affidavit of evidence by February 18, 2016 nor appeared on March 4, 2016. However, Sheetal lodged Appeal (L) No. 44 of 2016, which was registered as Appeal No. 580 of 2016, against the December 2015 Order. By order dated April 12, 2016 Learned Division Bench (*A.S. Oka and P.D. Naik, JJ.*) refused ad-interim relief in terms which removed the only ground she had for not filing her evidence[31]:

> *"1. Heard the learned counsel for the applicant in support of the prayer for ad-interim relief in terms of prayer clause (a).* ***The learned counsel seeks stay to the directions contained in paragraph 17 of the impugned order. Apart from issue of maintainability of the appeal, at this stage, there is no prejudice to the applicant if she files an affidavit in lieu of examination of chief. No case is made out*** *as of today for grant of any ad-interim relief. Prayer for ad-interim relief is rejected."*
>
> ***[Emphasis Supplied]***

[31] *Pages 987 and 988 of the Convenience Compilation*

40. On August 4, 2016, Sheetal sought time from the Company Court on the footing that she had called for her papers as she wished to engage a new Advocate. The Company Court recorded that "*these tactics are being regularly employed by litigants to somehow delay the proceedings in the Court*" and stood the matter over to August 12, 2016, and warned that on non-compliance it would proceed on the basis that neither Sheetal nor Atulya wished to file any affidavit proving their title. This was recorded as an indulgence granted at the request of Sheetal's advocate[32].

41. On August 12, 2016 the newly engaged counsel stated that he was not willing to file the affidavit because the December 2015 Order was under challenge, and sought time to move the Appellate Court. The Company Court (*B.P. Colabawalla, J.*) declined, recording that the Appeal had already been dismissed for non-removal of office objections so that "*today there is no Appeal at all*", and that the Appellate Court had on April 12, 2016 categorically held that no prejudice would be caused to her by filing. The Company Court concluded as follows[33]:

[32] *Exhibit 'K' to OLR 380*
[33] *Paragraph 4 at Pages 994 to 997 of the Convenience Compilation*

> *"4. From the conduct of Mrs Sheetal Mafatlal, it is clear that she has no intention of filing any affidavit in this Court despite several opportunities given to her. In this view of the matter, I am ... [precluding her from filing an] affidavit in lieu of examination-in-chief. The consequence of not filing such an affidavit will obviously follow."*
>
> ***[Emphasis Supplied]***

42. Sheetal's evidence being closed, she nevertheless continued to contest on the merits. OLR 380 was preferred on October 6, 2016, and she tendered an Affidavit in Reply dated December 8, 2016 to it[34], contending among other things that Ajay was not a director, and that the OL ought to have filed a suit under Section 446(2)(a) of the Act, and that her possession raised a presumption of title which it was for the OL to rebut[35]. In the Appeal, exception was taken by the Appellate Court to her requests for adjournment on July 4, 2022[36] and again on June 23, 2023, when it was clarified that no interim order was operating[37]. The upshot is that from April 2016 to August 2023 the December 2015 Order stood without any disturbance.

[34] *Pages 674 to 691 of the Convenience Compilation*
[35] *Paragraph 8(v) at Page 680, Paragraph 12 at Pages 685 and 686 and Paragraph 20 at Page 689 of the Convenience Compilation*
[36] *Pages 990 and 991 of the Convenience Compilation*
[37] *Pages 992 and 993 of the Convenience Compilation*

43. The Appeal was disposed of on August 29, 2023 by a Learned Division Bench (*D.K. Upadhyaya, C.J., and Arif Doctor, J.*)[38]. Her grievance being a narrow one — that the OL, being the claimant, must go first, and that no occasion arose for her to file an affidavit of evidence until he had, the Division Bench accepted that sequence and recast paragraph 17 of the impugned order dated December 7, 2015, accordingly, leaving paragraphs 18 to 22 unaffected:

> *"(a) The Official Liquidator to, within a period of two weeks from the date of this order is being uploaded, file an Affidavit and/or Compilation of Documents on the basis which the Official Liquidator has claimed these 44 paintings to be the properties of the company.*
>
> *(b) The Appellant within a period of four weeks thereafter to comply with the directions set out in paragraph No.17 of the Impugned Order …"*
>
> ***[Emphasis Supplied]***

44. The Liquidator complied by filing an Additional Affidavit dated September 20, 2023, with a Compilation of Documents[39]. Yet, Sheetal did not file any affidavit despite the extension granted to her by the Learned Division Bench. On October 25, 2023 she sought a further four weeks on the ground that she was in London. The Learned Division Bench observed that the reason was "*no*

[38] *Pages 702 to 707 of the Convenience Compilation*
[39] *Pages 711 to 722 of the Convenience Compilation*

justification", that on a previous occasion too the Court had noted that she was in London, that "*it is wholly immaterial where the Appellant is*", and that "*if the Appellant chooses to seriously prosecute proceedings in India, then it is incumbent upon the Appellant to adhere to the timelines set out in orders of this Court*". Yet, the Learned Division Bench granted, "*as and by way of an absolutely last chance*", four weeks, subject to costs of Rs. 50,000/- payable as a donation to the Shanti Avedna Sadan, and directed that the Affidavit of Evidence be taken on record only upon proof of such payment of costs[40].

45. The order of the Learned Division Bench was not carried higher and attained finality. Indeed, Sheetal purported to file an affidavit in lieu of examination-in-chief dated November 16, 2023, which was placed before the Company Court on January 19, 2024. The OL's Additional Affidavit and documents were taken on record, and the OL stated that he would lead no oral evidence and would base his contentions on the affidavit. The Company Court's attention was then invited to the affidavit in lieu of examination-in-chief filed by Sheetal, being sworn before a notary in London but not in compliance with the requirements of the Hague Apostille Convention, 1961. Her counsel submitted that the deficiency was curable, and four weeks were granted to file a properly

[40] *Pages 708 to 710 of the Convenience Compilation*

sworn affidavit, upon which she would also place her Compilation of Documents[41].

46. At this point, Sheetal abandoned the affidavit altogether. On March 1, 2024 this Court passed the Sheetal Evidence Retraction Order, among others, recording the following[42]:

> *" By order dated 19.01.2024, the intervenor – Sheetal Mafatlal was granted four weeks' time to file affidavit in lieu of examination-in-chief, which would be in compliance with the requirement of Hague Convention.*
>
> *2. Today, on instructions, the learned counsel appearing for the said intervenor states that she does not wish to file affidavit in lieu of evidence and that only a compilation of documents is sought to be placed on record.*
>
> *3. The statement is recorded. The intervenor is permitted to file compilation of documents within one week from today. …"*
>
> ***[Emphasis Supplied]***

47. Therefore, what is clear is that, across the benches of *Shriram, J., Colabawalla, J., Menon, J., Gupte, J., the Division Bench of Oka and Naik, JJ., the Division Bench of Upadhyaya, C.J. and Doctor, J., and Pitale, J.*, Sheetal has been given, time and again, an opportunity to lead evidence on her own claim to

[41] *Pages 723 to 725 of the Convenience Compilation*
[42] *Page 726 of the Convenience Compilation*

being entitled to the Subject Paintings, and to subject her evidence to trial. The six separate occasions led to Sheetal filing nothing within the first five occasions, and did not appear on March 4, 2016. Within the sixth occasion, she filed an affidavit in lieu of examination-in-chief defective in its attestation, and when granted time to cure that defect, she instructed her counsel to confirm that she had changed her mind after all, and did not at all wish to file an affidavit in lieu of evidence. Over eight years went by in this manner.

48. The one affidavit Sheetal filed was taken back by her own instruction. Since the right of cross-examination reserved to the OL in the December 2015 Order could operate only upon an affidavit in lieu of examination-in-chief, the withdrawal of that affidavit carried with it the implications of Sheetal's refusal to enter the witness box. Therefore, to support her claim of title to the paintings, there is no evidence at all on record and adverse inference that she would be unable to prove title can be drawn.

49. In February 2024, Gayatri had filed Interim Application (L) No. 7236 of 2024 seeking, among other things, to cross-examine Sheetal, and in April 2024 Yasmin took out Interim Application (L) No. 13581 of 2024 to the same end[43]. By two Affidavits in Reply both dated June 20, 2024, Sheetal opposed both Interim

[43] *Pages 727 to 762 of the Convenience Compilation*

Applications, contending that a third party unconnected with the affairs of the Company could not "*seek to dictate the manner in which the enquiry is to be conducted in the pending lis*"[44]. Gayatri's application was ultimately disposed of as withdrawn by order dated December 19, 2025, the reliefs sought therein having become infructuous by virtue of the Sheetal Evidence Retraction Order.

50. Astoundingly, after asserting in March 2024 that she would not file any affidavit, in August 2024, Sheetal filed the two Sheetal IAs. In the OLRs "*for the limited purpose of preempting and addressing any technical objection … as regards the maintainability*" of her claim, "*with contents identical to that of the Affidavit dated May 5, 2015*". In the teeth of the various orders referred to above after which she refused to lead evidence, Sheetal yet again asserted her position that she was not required in law to lead any evidence:

> *"16. **As per the legal advice received by me, I am not required in law to submit any evidence to prove that I am the owner of the said paintings unless the Official Liquidator files a Suit** … I am not obliged nor can the official liquidator compel me under the law as subsisting, to prove my ownership of the 44 paintings …*
>
> *17. **I respectfully say and submit that it is an error of law to require me to file an Affidavit of Evidence in the above O.L. Reports** …"*

[44] *Paragraphs 6 and 7 at Pages 765 and 766 and Paragraph 11 at Page 770, the affidavit being at Pages 763 to 802 of the Convenience Compilation*

[Emphasis Supplied]

51. The prayers in both applications are instructive. Final relief is sought in respect of all 44 Subject Paintings, but the interim relief is confined to 39 Remaining Paintings, expressly on the footing of the OL's position as to these five Identified Paintings[45]:

> *"(c) pending the hearing and final disposal of the present Application, this Hon'ble Court may handover the 39 paintings back to the Applicant on account of admission on the part of the OL confirming that out of the 44 paintings only 5 paintings could relate to that of the Company in Liquidation."*

[Emphasis Supplied]

52. On October 24, 2024 the Company Court (*Abhay Ahuja, J.*) recorded that the Learned Counsel appearing in the matter had submitted that there was no dispute that five of the forty-four paintings are owned by the Company in liquidation, and directed claims to be invited before valuation was taken up[46]. The proceedings then moved to the five Identified Paintings alone. By orders dated June 24, 2025 liberty was granted to file a fresh OL's Report for valuation and sale[47]. This led to OL's Report No. 53 of 2025 being preferred on July 7, 2025, which was allowed by an order dated December 19, 2025, and Mr. Dadiba

[45] *Pages 831 and 861 of the Convenience Compilation*
[46] *Paragraphs 1 to 3 at Pages 863 to 865 of the Convenience Compilation*
[47] *Pages 866 to 871 of the Convenience Compilation*

Pundole was appointed valuer[48]. Inspection was taken on January 17, 2026 and the Valuation Report was furnished in a sealed envelope on January 22, 2026. OLR 93 followed on February 12, 2026, seeking the reserve price, earnest money deposit and approval of the Sale Notice for the five Identified Paintings[49].

53. Sheetal entered the scene yet again. By Interim Application No. 11880 of 2026 ("***IA 11880***") filed on March 12, 2026 in OLR 93, Sheetal again claimed all 44 Subject Paintings[50]. Her explanation for having retracted her evidence affidavit was sought to be explained away in the following words:[51]

> *"Admittedly, the* ***Official Liquidator did not file the affidavit as directed, and consequently, the Affidavit of Evidence filed by the Intervenor was withdrawn****."*
>
> ***[Emphasis Supplied]***

54. This assertion is blatantly false. The OL filed an Additional Affidavit dated September 20, 2023 and it was taken on record by the order dated January 19, 2024. In that very order Sheetal's own affidavit in lieu of examination-in-chief was noticed as having been filed, but as being defective in attestation. Sheetal's withdrawal from being desirous of leading evidence, recorded on March 1, 2024

[48] *Pages 873 to 875 of the Convenience Compilation*
[49] *Pages 876 to 906 of the Convenience Compilation*
[50] *Pages 1120 to 1159 of the Convenience Compilation*
[51] *Paragraph 3.30 at Page 1132 of the Convenience Compilation*

in the Sheetal Evidence came thereafter of her own sovereign decision, and not for want of the OL's compliance. IA 11880, for reasons best known to Sheetal, has been filed with a fundamentally false rendition of her own conduct spread over a decade, and yet again, she has advisedly harboured hope of being entertained by the Company Court after all that transpired before filing IA 11880.

55. The contrast with Gayatri's conduct is instructive. The Gayatri IA claims the Remaining Paintings — expressly excepting the Identified Paintings, over which the entitlement of the Company has been set out in the police investigation. Gayatri contends[52]:

> *"... the Applicant is ready and willing to step into the witness box and lead evidence and also subject herself to cross-examination by the Official Liquidator or the Hon'ble Court."*
>
> ***[Emphasis Supplied]***

56. In this backdrop, what is crystal clear is that neither Sheetal nor any of the members of the Mafatlal Family who signed the Consent Terms with her, has led any evidence as to title to the Subject Paintings in Court. These parties may have engaged in a mutual dispute and arrived at consent terms among themselves, but how they can claim title to the Subject Paintings is a subject on which they

[52] *Paragraph 11 at Pages 929 and 930 of the Convenience Compilation*

present nothing in evidence. On the other side of the scale, stands the findings of police investigations with reasons as to why the Identified Paintings belong to the Liquidation Estate of the Company. This is corroborated by the Asset Register, which is sought to be dismissed as a "got up" document by Sheetal, without leading evidence and subjecting her contentions to trial. The Mumbai Police has investigated and examined statements of multiple associates of Sheetal and have provided the basis on which it has presented its view to the Company Court. Therefore, it would be instructive to analyse the basis on which the OL asserts that the Identified Paintings belong to the Liquidation Estate of the Company.

Mafatlal Family's Inter Se Litigation:

57. These paintings have been in litigation among members of the Mafatlal Family. It is necessary to set out what those proceedings were, and what they did and did not decide. The criminal proceedings between Sheetal on the one hand and Marushka Mafatlal, Atulya, Kunti Shah and Gayatri on the other are set out above. They ended in the Consent Terms in July 2012 and the quashing orders of August 2012. Two features of the Consent Terms are material here. Clause 7(b) dealt only with the retention, possession and enjoyment of "the Art" by Sheetal

and with the signatories relinquishing any claim to it. No signatory asserted ownership of the works as against anyone. Besides, Gayatri was not a party to those Consent Terms — a matter on which she now relies, to contend[53]:

> *"As far as* ***the other legal heirs of the Applicant's parents are concerned even though they knew that they were not the owners of the 39 high value paintings they executed consent terms dated 2.7.2012 with Sheetal Mafatlal and therefore they have lost their legal right to the said paintings****."*
>
> ***[Emphasis Supplied]***

58. The second family front was opened by Ajay against Sheetal. By complaint dated November 22, 2013, registered as C.R. No. 183 of 2013 at the Marine Drive Police Station and renumbered C.R. No. 125 of 2013 on transfer to the D.C.B., C.I.D., Unit-II, he proceeded under Sections 380, 406, 411, 414 and 420 read with Section 120B of the IPC against Sheetal, other members of the Mafatlal Family and two ex-directors of the Company[54]. It was with that complaint that he produced the three purchase vouchers and the Asset Register on which the OL's case is now founded.

[53] *Paragraph 10 at Page 929 of the Convenience Compilation*
[54] *Pages 70 to 91 of the Convenience Compilation*

59. A further complaint followed on February 12, 2014[55], and F.I.R. No. 38 of 2014 was registered on March 28, 2014 against Atulya, Sheetal and others[56]. On February 22, 2015 the D.C.B., C.I.D., Unit-II classified C.R. No. 125 of 2013 as 'B Summary' and sought his prosecution for a false complaint. It is to be noted that Ajay's case was never that the paintings were his. His case was that they belonged to the Company — which is the case the OL now advances.

60. There is also on the record a claim by a group entity, and it is the only assertion of title to any of these works by anyone other than Sheetal, Gayatri and the Company. Yasmin pleads that on August 3, 2011 Mangalya Trading Pvt. Ltd. complained to the Gamdevi Police Station in respect of the Manjit Bawa painting titled "Goat" removed from the Mafatlal Bungalow, and that[57]:

> *"(xxiv) 16/8/2011, a Writ Petition was filed by Mr. Peter Vaz on behalf of M/s. Mangalya Trading Pvt. Ltd. alleging that* ***the painting which was stolen by Sheetal Mafatlal belonged to M/s. Mangalya Trading Pvt. Ltd. It was alleged that the 'Manjit Bawa – Goat' painting was purchased from Synergy arts for a sum of ₹ 5,53,700/- on 29/3/1997. The necessary proof of purchase i.e. the invoice and receipt were produced*** *which had details of payment in the said Writ Petition."*
>
> ***[Emphasis Supplied]***

[55] *Pages 97 to 106 of the Convenience Compilation*
[56] *Pages 107 to 111 of the Convenience Compilation*
[57] *Page 744 of the Convenience Compilation*

61. A further complaint, with the photograph and the invoices, is said to have been made on September 20, 2012[58]. It is corroborated from two independent places in the record. Synergy Art Foundation informed the OL by its reply dated December 16, 2016 that it had sold a Manjit Bawa painting for which payment was received from Mangala Trading[59]. Sheetal's own Affidavit in Reply dated December 8, 2016 records that, on Ajay's complaint, of the four paintings alleged to have been stolen, only three belonged to the Company and one belonged to Mangalya Trading & Investments Ltd.[60].

62. The work in question is the Manjit Bawa "Goat" at Sr. No. 7 of the Seizure List. It is not among the five Identified Paintings; it falls within the 39 Remaining Paintings. The existence of this claim may explain why the Mumbai Police declined to attribute title to either of the two Manjit Bawa works to the Company.

63. The family contest has since migrated into this Company Petition itself. Ajay, in his capacity as a shareholder, took out Company Application No. 1058 of 2015 seeking a direction to the OL to claim ownership of the assets of the Company on the information and documents he had supplied. It was disposed of

[58] *Page 745 of the Convenience Compilation*
[59] *Page 698 of the Convenience Compilation*
[60] *Paragraph 8(v) at Page 680 of the Convenience Compilation*

as having worked out by the December 2015 Order, as was Company Application (L) No. 789 of 2015 taken out by his legal heirs for impleadment after his death on August 22, 2015[61]. Gayatri and another thereafter took out Contempt Petition (L) No. 5 of 2016 against Sheetal and others in Company Application (L) No. 788 of 2015 in Company Application No. 1058 of 2015. That petition was tagged with the Reports before this Court on August 4, 2016, and the order of that date was passed expressly without prejudice to the rights and contentions raised in it. Neither the petition nor any order on it forms part of the record before the Court. Gayatri's Interim Application (L) No. 7236 of 2024 and Interim Application (L) No. 22315 of 2026 followed.

64. Against that history, four things are to be noticed.

A] No suit has ever been filed by anyone for a declaration of title to these paintings — not by any member of the Mafatlal Family against another, not by the OL, and not by Sheetal. The disputes among the Mafatlal Family members were the criminal proceedings and that resulted in enjoyment of the art being left to Sheetal, without being dispositive of ownership of title;

[61] *Pages 177 and 178 of the Convenience Compilation*

B] No court has adjudicated title to these works in any of the family proceedings. The criminal courts decided whether complaints were true, not who owned the paintings. That is Sheetal's own position in her Affidavit in Reply dated June 20, 2024 filed in the Yasmin IA[62]:

> *"…The question of ownership of paintings was never the point of contention and rather has not been raised in the criminal proceedings."*
>
> ***[Emphasis Supplied]***

C] Until recently both sides proceeded on the footing that the family had asserted nothing. The Liquidator pleaded in OLR 380 that "*even the consent terms filed in the Criminal Writ Petition reveals that neither the Mafatlal Family nor any individual has asserted ownership of these 44 paintings*"[63], and Sheetal stated as late as June 20, 2024 that "*no members of the Mafatlal Family has asserted ownership of the paintings till date*"[64]. The Gayatri IA has raised for the first time in fifteen years, a prayer for declaration of title to the Remaining Paintings. She claims as the daughter and legal heir of Yogindra Mafatlal and Madhuri Y. Mafatlal, who she says

[62] *Paragraph 20 at Page 774 of the Convenience Compilation*
[63] *Paragraph 17(v) at Page 188 of the Convenience Compilation*
[64] *Paragraph 23 at Page 775 of the Convenience Compilation*

were the owners of all the works save the five Identified Paintings, whether in their individual capacities or as owners of the legal entities concerned[65];

D] The claims within the family are not consistent with one another. Ajay's case was that the paintings belonged to the Company; his sister Gayatri who claims to be his legal heir, contends that the Remaining Paintings belonged to their parents; and Sheetal's case is that all 44 Subject Paintings are hers. Sheetal has herself pointed out that Gayatri's stance contradicts that of Ajay, and that the dispute has become a disagreement within the family with three different claims to ownership[66].

Company's Claim to the Identified Paintings:

65. At the threshold, it is made clear that while the analysis in this judgement (primarily because of the nature of the factual matrix) may touch upon the 44 Subject Paintings in general, the analysis is only in aid of the five Identified Paintings, over which the OL asserts ownership by the Liquidation Estate, and seeks directions for disposal of the Identified Paintings, to use the proceeds to

[65] *Page 921 of the Convenience Compilation*
[66] *Paragraphs 11 and 14 at Pages 763 to 802 of the Convenience Compilation*

discharge claims adjudicated as owing to stakeholders. The OL's claim is founded on Section 456 of the Act, which provides:

> *"**456. Custody of company's property.***
>
> *(1) Where a winding up order has been made or where a provisional liquidator has been appointed, **the liquidator or the provisional liquidator, as the case may be, shall take into his custody or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled**. ...*
>
> *(2) All the **property and effects of the company shall be deemed to be in the custody of the court as from the date of the order for the winding up of the company**."*
>
> ***[Emphasis Supplied]***

66. Evidently, where the Company appears to be entitled to any property, it shall be taken into custody by the OL, which is already noted in the December 2015 Order. Section 446(2)(b) and Section 446(2)(d) of the Act confer on the Company Court, jurisdiction to adjudicate the resulting question of title, as also held in that very order. Section 477 supplies the machinery to examine persons suspected of holding the Company's property. The OL has also placed on record that he possesses no primary or personal knowledge of the ownership of the

paintings, and the question is therefore confined to the records available and the statements of persons who were in charge of the affairs of the Company[67].

67. The OL's approach to this case is built on the interplay between three instruments, namely:

A] The Asset Register of the Company[68], a computer-generated asset register headed "*Mafatlal Dyes and Chemicals Ltd. — Fixed Asset Inventory as on April 2003 to June 2003*", printed under Location 78 — H.O. (General) and Cost Centre 15 — Chairman's Office, in the asset group "*Furniture & Fixtures*";

B] The Purchase Vouchers produced by Ajay, dated January 16, 1997, April 9, 1997 and April 10, 1997 pertaining to the purchase of four paintings by the Company;

C] The Seizure List – the extract from the seizure *panchanama* dated January 18, 2014 drawn in C.R. No. 104 of 2013, listing the 44 original paintings recovered from Sheetal's premises at the instance of her

[67] *Paragraph 17 at Pages 720 and 721, the affidavit being at Pages 711 to 722 of the Convenience Compilation*
[68] *Pages 92 to 94 of the Convenience Compilation*

manager[69]. The Seizure List describes each work closely — artist, title, signature year, medium, subject and frame.

68. On the face of this record, I note that the Asset Register is not some bare list but is a detailed inventory listing that is similar to registers of this nature maintained on basic accounting software relatable to the era covered by it. Against each asset in the Asset Register, an asset code, a description, the original cost, the written-down value for the last year, depreciation for the year, the written-down value after depreciation, the supplier's name, the voucher number and the date of purchase, is found. The suppliers named against the painting entries are art galleries — Khandelwal Arts P. Ltd., Gallery Chemould, Pundole Art Gallery, Synergy Art Foundation, The Gallery-Madras and Gallery G7 — with voucher references and purchase dates falling between December 1996 and June 1998.

69. Among the entries are:

A] "OIL PAINTING BY M F HUSSAIN", corresponding to Item No. 2 of the Seizure List;

[69] *Pages 3 and 4 of the Convenience Compilation*

B] "PAINTING OF MOTHER TERESA" (Pundole Art Gallery, voucher GN0022, June 30, 1997), corresponding to Item No. 9 of the Seizure List;

C] "PAINTING 'OCT 91' BY BEREN DE", corresponding to Item No. 12 of the Seizure List;

D] "PAINTING 'WOMAN ON BED' — F N SOUZA", corresponding to Item No. 14 of the Seizure List; and

E] "PAINTING BY JOGEN CHOWDHURY" (Synergy Art Foundation, voucher MBM3263, January 17, 1997), corresponding to Item No. 17 of the Seizure List.

70. This document reached the Mumbai Police from two independent sources — from Yasmin in answer to the questionnaire in C.R. No. 277 of 2012, and from Ajay with his complaint dated November 22, 2013[70]. The identification of the five Identified Paintings is the product of correlating the Seizure List with the Asset Register and the Purchase Vouchers. The OL has relied for that exercise on Police Affidavit I dated March 9, 2015 and Police Affidavit II dated July 31, 2015. The proposition is as follows:

[70] *Pages 70 to 91 of the Convenience Compilation*

A] On comparing the Asset Register with the Seizure List, the painting titled "Oct 91" by Biren De and the painting "Woman on Bed" by Souza were found to match in both title and description, and were held to belong to the Company[71];

B] The Seizure List showed two works of M.F. Hussain — one titled "Mother Teresa" and the other depicting a foreigner and an Indian woman at a dining table. The Asset Register showed one painting of "Mother Teresa" without the artist's name and one painting of M.F. Hussain without title or description. Since the Mother Teresa series was executed by M.F. Hussain, both works were held to belong to the Company[72];

C] On comparing the Purchase Voucher dated January 16, 1997 with the Asset Register and the Seizure List, the painting of Jogen Chowdhury was held to belong to the Company[73];

D] Where the match was not unique, no conclusion was drawn. The Purchase Voucher dated April 10, 1997 and the Asset Register each showed a single Manjit Bawa painting without title or description, whereas the

[71] *Paragraph 4(a) of Police Affidavit I*
[72] *Paragraph 4(b) of Police Affidavit I*
[73] *Paragraph 3(b) of Police Affidavit I*

Seizure List showed two Manjit Bawa works with title and description. It was recorded that it could not conclusively be said which of the two belonged to the Company. The same course was taken for the works of K.H. Ara. The OL has relied on such restrained approach as going to the reliability of identifying the five Identified Paintings. The conclusions of the OL are therefore confined to these five Identified Paintings where the correspondence was exact and unambiguous[74].

71. The result was stated in these terms[75]:

> *"In view of the above,* ***only 5 of the 44 paintings as described in the Recovery List which is an extract from the Seizure Panchanama carried on 18th January, 2014 in C.R. No. 104/2013 can be said to be belonging to the Company*** *(in Liquidation)."*
>
> ***[Emphasis Supplied]***

72. The five are those at Sr. Nos. 2, 9, 12, 14 and 17 i.e. the Identified Paintings out of the list of 44 Subject Paintings annexed as Exhibit 'J' to Police Affidavit I[76].

[74] *Paragraph 3(c) of Police Affidavit I*
[75] *Paragraph 5 of Police Affidavit I at Pages 123 to 131 of the Convenience Compilation*
[76] *Pages 3 and 4 of the Convenience Compilation; see also the list of the Identified Paintings at Exhibit 'B' to OLR 93 at Page 887 of the Convenience Compilation*

73. It is apparent that the exercise conducted by the Mumbai Police did not stop at a comparison of documents. Police Affidavit II states that the conclusion as to the five was founded on[77]:

> *"... **not only on the Fixed Asset Inventory and the Receipts produced by Ajay Y. Mafatlal** but **also other documentary evidence that came to light** during the course of investigation ... like the Recovery List of all paintings at the instance of the Manager of the Intervenor, one Mr. Manoj Shah, **Verification of the receipts of the paintings with the Art Galleries whose names are reflected in the Fixed Asset Inventory etc**."*
>
> ***[Emphasis Supplied]***

74. That line of enquiry was carried further at the direction of this Court. By order dated October 20, 2016 the OL was directed by the Company Court (*A.K. Menon J.*) to address letters to leading art galleries and artists to ascertain if they could be persons from whom the 44 Subject Paintings may have been purchased, and to the Sir J.J. School of Art[78]. The responses were placed on record by affidavit dated February 6, 2018 filed by the OL[79]. They are of uneven value, and the OL's case takes them as they are:

[77] *Paragraph 6 of Police Affidavit II at Page 156 of the Convenience Compilation*
[78] *Pages 671 to 673 of the Convenience Compilation*
[79] *Paragraph 5 at Pages 697 to 699, the affidavit being at Pages 694 to 701 of the Convenience Compilation*

A] Synergy Art Foundation, by reply dated December 16, 2016, confirmed that it had sold paintings to the Company — one of Ara and one of Jogen Chowdhury. Separately, a painting of Manjit Bawa was sold, for which payment was received from Mangala Trading. This is the only affirmative gallery confirmation on record, and it corroborates the Jogen Chowdhury painting, being one of the five. The Manjit Bawa painting, paid for by another Mafatlal Group entity, is not among the Identified Paintings;

B] Studio 3 stated that it had never sold any painting to the Company. Tao stated that it came into existence only in February 2000 and that none of the paintings came from it. To my mind, the engagement with these two galleries is of no consequence since they do not figure in the Asset Register;

C] Gallery 7 stated that it had no details, the transactions being twenty years old. Anjolie Ela Menon had no recollection of any sale to Mafatlal in 1997 and said that the two works listed against her name as purchased from Gallery 7 were “in doubt”;

D] Shakti Burman and Akbar Padamsee were unable to assist without images. The Sir J.J. School of Art furnished the list of 44 paintings but had

no papers of registration. The Jehangir Art Gallery stated that it only provides display space and therefore could not assist with the exercise;

E] Pundole Art Gallery, Gallery Chemould, Khandelwal Arts Pvt. Ltd., Sadguru Frame Craft, Synergy Art London, Ashok Rewankar, CE Arts Crafts Ltd., the National Gallery of Modern Art and Artequest sent no reply, as did artists Jogen Chowdhury and Satish Gujral.

75. To the case made on the basis of the record, Mr. Carvalho, Learned Advocate for the OL adds the conduct of those who alone could have displaced it. Ajay, by letter dated June 23, 2014[80] and by Company Application No. 1058 of 2015, asserted that the articles seized belonged exclusively to the Company and called upon the OL to recover them. Atulya, the ex-director, was directed by paragraph 21 of the December 2015 Order to state his stand on affidavit as to the original ownership of the paintings and the Asset Register, and to produce the records perused by the statutory auditors.

76. It appears that a claim of records of the Company having been destroyed in floods was made. Moreover, by his Affidavit in Reply dated October 20, 2016 Atulya contended that without being shown the paintings with sufficient

[80] *Pages 112 and 113 of the Convenience Compilation*

description he could not indicate his stand or produce material as to original ownership, but self-servingly contended that he was unaware of any painting being owned by the Company. He contended that the Annual Reports for 1999-2000 to 2007-08 and the Balance Sheets for the years ending March 31, 2009 and March 31, 2010 do not show that the paintings were reflected on the assets side[81].

77. Atulya's contentions do not create a preponderance in favour of accepting his contention that the Identified Paintings do not belong to the Company. The purchase dates indicated in the Asset Register fall between December 1996 and June 1998. The annual reports are from 1999-2000 and relate to a period after the dates of acquisition. In any case, it is now evident that the affairs of the Company, under Atulya's watch, led to the necessity of it having to be wound up. His approach adducing purported evidence by providing financial statements of a subsequent period is not helpful in demonstrating his contentions. Atulya could have simply handed over all the records of the promoter-managed Company for the period in which the Subject Paintings are said to have been acquired but a claim of loss in floods was made. The Company Court's query about what records

[81] *Paragraphs 2 and 3 at Pages 194 and 195, the affidavit being at Pages 191 to 670 of the Convenience Compilation*

were then shown to the statutory auditors for 2006-07 has remained unexplained.

78. That Atulya chose to cut the period to one after the purchases were said to have been completed, lends credence to the OL's submission that an adverse inference could be drawn against Atulya. His wife Sheetal, too has brought nothing to bear, as seen above. Sheetal claiming that as Atulya's wife and in terms of the Consent Terms, he and his family had agreed to let her retain the paintings, does not help indicate whether the paintings were theirs in the first place, for them to give the paintings to Sheetal. On the other side of the scale, are the Asset Register, the Purchase Vouchers, the corroborative statements of former collaborators of Sheetal and the description in the Seizure List, which present a holistic picture of the identity of the five paintings and how they can be identified and be corroborated by the record as investigated by the Mumbai Police, which has filed two affidavits setting out its analysis.

79. These present a comprehensive basis to point to a preponderance of probabilities and I am persuaded that the five Identified Paintings can indeed be

held to belong to the liquidation estate of the Company. The five paintings so identified are:[82]

Sr. No. in the Seizure List	Description in the Seizure List	Title used by the OL	Asset Register entry
2	M.F. Hussain — Canvas painting of one foreigner lady and one Indian woman seated on chair of dining table with one elephant in background	Foreigner and an Indian Woman on the Dining Table	"OIL PAINTING BY M F HUSSAIN"
9	M.F. Hussain — Canvas painting of Mother Teresa Series	Mother Teresa	"PAINTING OF MOTHER TERESA" — Pundole Art Gallery, voucher GN0022, June 30, 1997
12	Biren De — "Beren De 91" "Oct 91", abstract canvas painting with wooden frame	OCT 91	"PAINTING 'OCT 91' BY BEREN DE"
14	F.N. Souza — "Portrait of Kristin Mac-Gunnies", canvas painting of nude lady	Woman in Bed	"PAINTING 'WOMAN ON BED' — F N SOUZA"
17	Jogen Choudhary — "92", painting of lady on two papers with glass and black coloured wooden frame	"92" — painting of lady on two papers with glass and black coloured wooden frame	"PAINTING BY JOGEN CHOWDHURY" — Synergy Art Foundation, voucher MBM3263, January 17, 1997

80. Sheetal's pleadings (even without any affidavit in lieu of examination in chief) nowhere assert title and her affidavit dated May 6, 2015 did not annex any document. Sheetal's opportunity to lead evidence was closed by order dated

[82] *The Seizure List is at Pages 3 and 4, the titles used by the OL are at Page 887 and the Asset Register is at Pages 92 to 94 of the Convenience Compilation*

August 12, 2016; and the affidavit in lieu of examination-in-chief she did file after multiple rounds of challenge to jurisdiction, was also withdrawn by her on March 1, 2024. Since she refused to subject herself to cross-examination and did not step into the witness box to subject her contentions to trial, she has failed to demonstrate any title to the Identified Paintings.

81. Worse, there is a judicial finding in the order dated May 8, 2015 by the Learned Magistrate that she had command over the paintings throughout and had caused them to be photographed, printed and framed before the seizure at Yasmin's flat. The Mumbai Police have found that the e-mails produced by Sheetal to somehow indicate that the paintings were gifts from foreign friends were not genuine. No person other than Sheetal (claiming to own the Subject Paintings), and now Gayatri (claiming the Remaining Paintings), has staked any claim to any of the works. All of this could have been dealt with head on by Sheetal with multiple chances being given to lead evidence, but she has chosen to drag the matter along and eventually refuse to lead evidence. This indeed points to Sheetal having no case to make other than to keep repackaging her contentions in varying tones: of objection to jurisdiction; objection to being asked to lead

evidence; and worse to the false allegation that she did not lead evidence on the premise that the OL did not lead evidence.

82. The members of the Mafatlal Family traded criminal allegations against one another – the family accusing Sheetal of stealing while she accused them of dowry harassment and domestic violence. They settled those *inter se* disputes by holding that Sheetal would be entitled to the paintings. However, this can never be determinative of the ownership of the Mafatlal Family in competition with the Company. The Mafatlal Family ought to have had title for it to be validly passed on to Sheetal. In the teeth of the Asset Register, the purchase vouchers and the affidavits of the Mumbai Police, which make a clearly reasonable case for the Identified Paintings to belong to the Company, Sheetal and Atulya have chosen not to lead evidence and their conduct calls for adverse inference.

83. I have already articulated and set out in reasonable detail, Sheetal's conduct and indeed Atulya's conduct in their claim to title. As against that, there is the Asset Register, which does not appear to be fabricated – it has a detailed description of multiple assets and if it had to be fabricated, nothing would have prevented the person fabricating it to have come up with more fabrication to cover all the Subject Paintings. Yet, on the basis of what is available on record,

considering that the OL's prayers are restricted to the Identified Paintings, in my view, the OL has made out a reasonable case of showing title to the Identified Paintings.

84. At the risk of repetition, the standard of proof to be applied for these proceedings is not the criminal standard of beyond reasonable doubt but the civil standard of preponderance of probabilities. All that Sheetal has sought to create is some doubt and not even reasonable doubt. Her stance is undermined by her own conduct and her steadfast and consistent conduct with a complete lack of credibility. Sheetal has ensured a delay of over a decade in the conduct of these proceedings, challenging the jurisdiction of the Company Court; failing in the challenge; being given an opportunity to lead evidence; seeking multiple extensions of the deadline for leading evidence, only to eventually take a stand that she has no intention of leading evidence; and then filing IA 11880, on a false premise of her not having led evidence because the OL had allegedly not led evidence; and all over again contending that the Subject Paintings belong to her.

85. Worse, in the criminal proceedings, Sheetal's conduct has been assessed and the Closure Report bringing to an end her case of having been cheated with duplicate paintings, has been upheld all the way to the Supreme Court. A party

that does not come to the justice delivery system with clean hands has taken undue advantage of an indulgent long rope extended to her. Such conduct has to run out of steam at some point and that juncture has now come about. On the basis of the material on record, and the analysis and reasons set out above, I have no hesitation in holding that the Sheetal IAs are devoid of merit.

86. Atulya is no more and his own conduct as seen from the record leaves much to be desired on the subject of undermining the Company's title. A careful and meticulous analysis of the Asset Register, the Purchase Vouchers and the Seizure List, presents a reasonable logical and commonsensical correlation to hold that the five Identified Paintings can be attributed to the liquidation estate of the Company

87. As to the five Identified Paintings, the OL also points to what has been conceded and recorded. On October 20, 2016 the Mumbai Police stated that five of the 44 paintings had been identified as the property of the Company, while there was no direct evidence of the Company's ownership of the Remaining Paintings[83]. Sheetal's own affidavit dated May 6, 2015 describes the dispute as one of "*maximum 5 Paintings out of a total 44*", and the interim relief she sought in August 2024 was confined to the Remaining Paintings. Gayatri's claim likewise

[83] *Pages 671 to 673 of the Convenience Compilation*

excludes the Identified Paintings. Taking a holistic view of the matter, it is only fair and appropriate to hold that the OL has made out a case to allow OLR 93.

Ajay's Status – not an Ex Director:

88. One facet of the matter must be dealt with, since the OL's own record addresses them even while Mr. Tamboly on behalf of Sheetal tables it as the basis of the foundation of OL's approach being unreliable. It concerns Ajay's description in OLR 457 as an ex-director of the Company. That footing was given up by the OL himself in the affidavit dated February 6, 2018, which records that the description was "*truthfully incorrect*" (essentially, a *bona fide* mistake). Ajay was the sibling of Atulya and Sheetal's brother-in-law, who himself never held out as being an ex-director and only as a shareholder. In my view, Ajay not being an ex-director and only being a shareholder is of no consequence for the facts and analysis set out above, considering that he was an integral member of the Mafatlal Family.

89. The functioning of promoter-family-owned-and-managed companies essentially does not turn on who officially is a director and who is not. It is highly reasonable to conclude that the Mafatlal Family like many a promoter family had

on the walls of their residence, paintings paid for by the company. The assessment in this judgement in any case does not place any emphasis on whether Ajay was an ex-director of the Company, but does factor in the fact that he was Atulya's sibling and would be privy to how the Mafatlal Family conducted its affairs through its companies.

Remaining Paintings:

90. I am pronouncing only upon the Identified Paintings, since those alone are the subject matter of the prayers presently pressed in the OLRs under consideration. No conclusive finding is rendered on the Remaining Paintings.

91. However, considering the need to preserve the Remaining Paintings, each of Sheetal and Gayatri who claim title to the Remaining Paintings are directed to deposit with the OL a sum of Rs. 15 lakhs respectively to enable the OL to ensure the upkeep and maintenance of the Remaining Paintings. It is necessary and reasonable for them to be called upon to deposit such a small sum considering the value of the paintings to which they stake their claim. No equities shall accrue to them since they are making competing claims and the Liquidation

Estate can be reasonably preserved by making the two claimants contribute a pool of resources for the upkeep of the Remaining Paintings.

92. Such deposit shall be made by Sheetal and Gayatri within a period of four weeks from the upload of this judgement on the Court's website. This is a fair and appropriate interlocutory measure. If either or neither makes such a deposit, it would potentially point to their level of seriousness in claiming title to the Remaining Paintings as opposed to denying and frustrating the claims of the other.

Summary of Conclusions and Directions:

93. My findings may be summarised thus:

A] The Company Court has jurisdiction under Section 446(2)(b) and Section 446(2)(d) read with Section 456 of the Act to adjudicate title to the Subject Paintings. The challenge to jurisdiction stands concluded against Sheetal by the December 2015 Order, which was never stayed and was not disturbed in appeal;

B] Sheetal, on whom the onus lies, particularly after the OL filed the Additional Affidavit in compliance with the modified directions of the

Learned Division Bench has led no evidence at all. She filed no affidavit in lieu of examination-in-chief within any of the six opportunities granted to her by multiple benches. She withdrew the only affidavit she did file in defect, and declined to enter the witness box. Her claim to the Subject Paintings rests on no evidence whatsoever;

C] Clause 7(b) of the Consent Terms is confined to the art that was the subject matter of MECR 11, being 35 paintings, and cannot in any event found a claim to the 44 Subject Paintings. In any case, the Consent Terms settle disputes *inter se* the Mafatlal Family and neither bind the Company nor determine title as against it;

D] The Asset Register, read with the Purchase Vouchers and the Seizure List, corroborated by the confirmation of Synergy Art Foundation and by Police Affidavit I and Police Affidavit II, establishes on a preponderance of probabilities that the Identified Paintings form part of the Liquidation Estate of the Company;

E] OLR 93 is accordingly liable to be allowed in respect of the Identified Paintings, and the opposition of Sheetal to OLR 457 and OLR 380, including IA 11880, is liable to be rejected; and

F] No finding is rendered on title to the Remaining Paintings, which is left open to be adjudicated.

94. Therefore, the following directions are passed:

A] OLR 457 is ***finally disposed of*** since the prayers sought in it have either been granted, refused or overtaken, with even consequential action having been taken, with implications for non-compliance such as Atulya not providing books and records resulting in the consequences set out in this judgement. As such, with subsequent OLRs having been filed, nothing survives to keep OLR 457 pending;

B] As regards OLR 380, while its prayers revolve around all the 44 Subject Paintings, the matter has now progressed and transformed into dealing with the five Identified Paintings, and more so with the filing of OLR 93. However, prayer clause (d) in OLR 380 is worthy of being granted. The asset class involved, namely, works of art, are not amenable to the routine manner of auction on an auction platform that is typically used to sell land, machinery, inventory and other industrial assets. In my opinion, for value maximisation and improved price discovery, it would be

necessary to engage the services of an expert who can oversee the entire process of sale and disposal of the Identified Paintings;

C] Towards this end, I hereby appoint Ms. Sonal Singh Naharwar ("***the Expert***"), a highly reputed expert in the field of art with a robust experience of two decades in the field of auctioning art. In my view, the Expert, having worked on valuation and sales of some of the most important South Asian works of art at auction, would be well suited to subserve the best interests of the sale process and the interests of the Liquidation Estate of the Company. Mr. Ranjeev Carvalho, Learned Advocate is also requested to actively assist in the process along with the Expert. Liberty to the Official Liquidator to seek such directions from the Company Court should there be a need to deal with any difficulties. In the aforesaid premises, OLR 380 is also ***finally disposed of***;

D] The conventional approach of the sale notice and standard terms and conditions for sale of land, machinery and other industrial assets would not be routinely adopted for the forthcoming disposal. Instead, the Official Liquidator along with the Expert and Mr. Carvalho shall formulate the mechanism for conduct of an auction by such art auction house as is

finalised by them. The terms and conditions for the auction shall be formulated by them taking care to adopt the principles underlying the conventional terms and conditions as far as practicable. Liberty to mention the matter for any clarifications and directions. OLR 93 is therefore ***disposed of*** in the terms set out in this judgement;

E] To get an update in the matter, stand over to ***November 20, 2026***.

95. All actions required to be taken pursuant to this order shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN J.]