CS (COMM) 100/25
RESOLUTE PROJECTS PVT. LTD. Vs. BROADWAYS ENTERPRISES PVT. LTD.

18.08.2025

Present: Sh. S.K.Mathur, Ld. Counsel for the plaintiff.
Sh. Sanjay Rustagi, Director of the plaintiff.

Submissions heard on the application under Order 6 Rule 17 CPC. Be awaited for orders.

(RUBY ALKA GUPTA)
District Judge (Commercial Court)-02
East District/KKD Courts/Delhi
18.08.2025/R

At 1.10pm

By way of the said application, the plaintiff seeks to add paras 3A and 3B in the plaint and also change the title of the suit to correct the amount sought.

By way of para 3A, plaintiff seeks to incorporate the details of the invoices issued and the money sought. By way of para 3B, the plaintiff seeks to incorporate facts regarding directors of the defendant No.1 company. It is stated that "defendant No.2 Mr. Amit Amla, Director and his brother Mr. Arjun Amla, being promoters and Directors of the defendant No.1 M/s. Broadways Enterprises Pvt. Ltd. are also the promoters of M/s Iris Hospitality Pvt. Ltd. being Kashmir based hospitality firm. They are involved in a case of forgery of document pertaining to a property in Hyderabad worth of Rs.300 crores. The said property had been fraudulently transferred in the month of June, 2019 in the name of the firm of the defendants M/s Iris Hospitality. Moreover, the defendants had been involved in cash transactions totaling Rs.20,65,993/- made to the plaintiff in cash upto 26.10.2023 as mentioned in the plaint."

Ld. Counsel has relied upon Order dated 03.07.2025 passed by the Hon'ble High Court of Delhi in **Ajay Gupta & Anr. v. Amit Sales Corporation Pvt. Ltd. & Anr., CRP 303/2024**. It is submitted that by the said order, the Hon'ble Court directed piercing of the corporate veil even at the stage of execution. Ld. Counsel states that in the present case also, he seeks to lift the corporate veil on the basis of facts sought to be incorporated vide para 3B.

In the cited decision, the Hon'ble High Court of Delhi has considered the situation in which the corporate veil could be lifted. The Hon'ble Court has observed has follows :-

> 12. It is well settled that when a decree is passed against a company, it is the company alone that is liable to fulfil the terms of the decree and pay the decretal amount, if any. In such circumstances, the directors/the persons responsible for managing the affairs of the company, in their individual capacity, cannot ipso facto be made liable for the debts or liabilities of the company. However, the said principle is not absolute and is subject to certain reservations. For this reason, in cases where the corporate structure is misused to perpetrate

> fraud or to commit other illegal acts, the directors too can be made personally liable. Courts, in such scenarios, are empowered to pierce the corporate veil thereby disregarding the separate legal entity accorded to the company.

The Hon'ble Court further referred to **Balwant Rai Saluja v. Air India Ltd, (2014) 9 SCC 407,** wherein the Hon'ble Apex Court has observed as follows :-

> 74. Thus, on relying upon the aforesaid decisions, the doctrine of piercing the veil allows the court to disregard the separate legal personality of a company and impose liability upon the persons exercising real control over the said company. However, this principle has been and should be applied in a restrictive manner, that is, only in scenarios wherein it is evident that the company was a mere camouflage or sham deliberately created by the persons exercising control over the said company for the purpose of avoiding liability. The intent of piercing the veil must be such that would seek to remedy a wrong done by the persons controlling the company. The application would thus depend upon the peculiar facts and circumstances of each case.

The Hon'ble High Court of Delhi further observed as follows :-

> 19. While it is not in doubt that a company has a separate legal entity, and that the corporate veil cannot be lifted in a routine manner, the same can be pierced if the corporate structure is misused to perpetrate fraud or shield the wrongdoers from the consequences of their actions. In terms of the dictum of the Hon'ble Apex Court in Balwant Rai Saluja vs Air India Ltd (supra), the intent of piercing the veil must be such so as to remedy a wrong done by the persons in control of the company.

It, thereafter, noted in the case before them that deceitful conduct of the petitioners in first issuing the cheques and then shifting to UAE and not joining the proceedings makes it imperative to pierce the corporate veil. It may also be noted that in that case an FIR No.04 of 2017, PS EOW, Delhi was registered against the petitioners before the Hon'ble Court.

Coming to the case-in-hand, one of the grounds stated for piercing the corporate veil is that the defendants had been involved in cash transactions totaling Rs.20,65,993/- to the plaintiff upto 26.10.2023. The said averment does not amount to any allegation as the amount of Rs.20,65,993/- is stated to have been paid in multiple transactions.

The other reason stated is that the directors of the defendant No.1 are also directors of M/s Iris Hospitality Pvt. Ltd., a Kashmir based hospitality firm. They are alleged to be involved in a case of forgery of a document pertaining to a property in Hyderabad worth Rs.300 Crores. The property is stated to have been fraudulently transferred in June, 2019 in the name of the firm of the defendants M/s Iris Hospitality Pvt. Ltd.

Firstly, the defendant before the Court is M/s Broadways Enterprises Pvt. Ltd. and not M/s Iris Hospitality Pvt. Ltd. Further, mere allegation would not suffice to lift the corporate veil. There is no averment that there is any FIR registered against the directors nor is there any averment that the directors are malafidely evading payment.

It is also not claimed that the directors are or have fled the country to avoid making payment.

The directors are stated to have committed forgery with the plaintiff company by not releasing the outstanding payments despite repeated demands. The said averment is not sufficient for lifting the corporate veil.

Be that as it may, **the application under Order 6 Rule 17 CPC is allowed and the amended plaint annexed therewith which is signed on every page, is taken on record**. The statement of truth has also been filed therewith. It may, however, be stated that certain documents have been annexed with the application. No permission has been sought to place the documents on record. Thus, the documents shall not be taken on record.

Although the amended plaint is taken on record, summons shall not be issued to the directors till the plaintiff is able to show sufficient cause for making them personally liable apart from the fact that they are not making payment.

Issue summons for settlement of issues to the defendant No.1 only on its both the addresses, by all modes including authorized courier and SP/AD on filing of PF within a week for **06.10.2025**. Email IDs and phone number of the defendant No.1 are mentioned in the memo of parties. Plaintiff shall forward soft copies of the plaint, documents etc. to the email ID of the court. The date and time of sending the email shall be noted on the PF.

Ahlmad is directed to forward the aforesaid soft copies on the e-mail ID of Nazarat Branch at the earliest along with the summons for settlement of issues to be served upon the defendant, on its email ID and WhatsApp number.

(RUBY ALKA GUPTA)
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