

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

CIVIL APPEAL NO. 7656 OF 1997

CHANDIGARH MALT PVT. LTD. .. APPELLANT
VERSUSHARYANA URBAN DEV. AUTHORITY & ANR. .. RESPONDENTS
(With office report)

DATE: 11/09/2003 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SHIVARAJ V. PATIL
HON'BLE MR. JUSTICE D.M. DHARMADHIKARIFor appellant (s)Mr. Mahabir Singh, Adv.
Mr. Rakesh Dahiya, Adv.
Mr. Amit Veer Singh, Adv.

For respondent (s)Mr. Ravindra Bana, Adv.

Upon hearing counsel the Court made the following
O R D E RMr. Mahabir Singh, learned counsel for appellant started his arguments at 11.25 a.m. and concluded at 12.15 p.m. Then, Mr. Ravindra Bana, learned counsel for the respondents made his submissions in reply for few minutes.
The appeal is dismissed with no order as to costs in terms of the signed order.Sarita(Shelly Sengupta)
Court Master

(Signed order is placed on the file)

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 7656 OF 1997

CHANDIGARH MALT PVT. LTD. ... APPELLANT

VERSUS

HARYANA URBAN DEV. AUTHORITY & ANR. ... RESPONDENTS

O R D E R

The writ petition filed by the appellant was dismissed by the High Court. Hence this appeal. the appellant purchased the property in auction pursuant to the sale notification issued by the Official Liquidator. The property in question was an industrial plot which was allotted by the respondent No.1 in favour of Panchkula Malt Pvt. Ltd. The said company went into liquidation. Consequently, all the properties of the company came to be vested with the Official Liquidator. The Official Liquidator put the said property to sale by auction. The appellant being the highest bidder, his bid was accepted and sale was confirmed in his favour. Thereafter, the appellant wanted a proper conveyance deed in his favour. When the respondent was approached for issuance of no objection certificate, it was pointed out

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that there were some dues on the said property and proper conveyance deed could be given only when the dues were cleared. In that situation, the appellant filed the writ petition for certain reliefs, including the one for execution of the conveyance deed in its favour. The High Court, on consideration of the respective contentions, looking to the documents placed on record and in particular, the conditions of sale and the conditions under which the property was allotted to the original allottee and also considering the provisions of Sections 529A and 530 of the Companies Act, found no merit in the writ petition. In the result the writ petition was dismissed.

The learned counsel for the appellant before us strongly contended that the appellant having purchased the property in open auction, it could not be saddled that an amount that was due to the respondent No.1 by the original allottee; the respondent No.1 having made claim for its dues before the Official Liquidator, it was not open to it to insist for payment of dues from the appellant for execution of the conveyance deed. The learned counsel added that even the dues claimed by the respondent No.1 were arbitrary and exorbitant.

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In opposition, the learned counsel for respondent No.1 made submissions supporting the impugned order passed by the High Court. The learned counsel pointed out that as per the conditions of allotment, while allotting the property in question to the original allottee and even looking to the conditions of sale notified by the Official Liquidator, it is not open to the appellant to escape from the payment of dues to the respondent No.1, if it wanted a conveyance deed. The learned counsel also pointed out that as early as in the year 1978 itself demand for payment of dues was made to the original allottee pursuant to the very conditions made in the letter of allotment. According to the learned counsel, the amount was due to the respondent No.1 on account of additional area covered by the property in question and also on account of enhancement of cost of acquisition of the land.

We have carefully considered the contentions advanced on either side. The appellant participated in the auction and purchased the property with the eyes wide open to the conditions of sale notified. In the impugned order, the relevant conditions of sale are extracted. It may not be necessary for us to state them again except stating that as per condition No.14 the property in question was sold, subject to all existing rent, taxes, rates, dues and other

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out-going whatsoever and it shall be the obligation on the appellant to meet all claims of taxes and dues after the date of confirmation of sale. As far as the quantum of amount due to the respondent No.1, it was not disputed before the High Court, as is clear from the impugned order. What was disputed was only the liability of the appellant to clear the amount due to the respondent No.1, principally, on the ground that the respondent No.1 having made a claim with the Official Liquidator, the appellant was not bound to clear the dues. The High Court, after detailed examination of the provisions of the Companies Act referred to in the impugned order and looking to the facts and circumstances of the case, concluded that the amount due to the respondent No.1 was not cess, tax or other dues; it was only a part of the price of the property and as such, it is not a claim within the provisions of the Companies Act. As per the sale conditions notified and looking to the conditions of original allotment, the appellant was bound to clear the dues. The High Court, in our view, did not commit any error in rejecting the claim made by the appellant in the writ petition.

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We do not find any good ground to interfere with the impugned order. Thus, finding no merit in the appeal, we dismiss this appeal, but, with no order as to costs.

(SHIVARAJ V. PATIL)J.

New Delhi, (D.M. DHARMADHIKARI)J.
September 11, 2003.