

ITEM NO.MM-6B

COURT NO.6

SECTION IVA

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (Civil) No(s).9172-9173/2012

(From the judgement and order dated 05/12/2011 in RFA No.793/2010
of The HIGH COURT OF KARNATAKA AT BANGALORE)

C. REVANASIDDAIAH

Petitioner(s)

VERSUS

M.D. KARNATAKA STATE. FIN.CORPN. & ANR.

Respondent(s)

(With prayer for interim relief)

Date: 23/03/2012 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE G.S. SINGHVI

HON'BLE MR. JUSTICE SUDHANSU JYOTI MUKHOPADHAYA

For Petitioner(s) Mr. P.V. Shetty, Sr. Adv.
 Mr. Kiran J, Adv.
 Ms. Pruthi J.D., Adv.
 Mr. Vijay Kumar Pardeshi, Adv.
 Dr. Sushil Balwada,Adv.(Not present)

For Respondent(s)

UPON hearing counsel the Court made the following
O R D E R

Taken on Board.

These petitions are directed against judgment dated
5.12.2011 of the Karnataka High Court, whereby the appeal
preferred by the petitioner against the judgment and decree
passed by the trial Court declining his prayer for issue of
a direction to the Karnataka State Financial Corporation
(for short, 'the Corporation') to execute the sale deed in

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respect of Site No. 9, Survey No. 56 of Kasavanahalli
Village, Varthur, Hubli, Bangalore South Taluk was
dismissed.

Respondent no. 2 Smt. Shobha Shetty had mortgaged
the suit property in favour of the Corporation as security
for the loan availed by M/s. Cosmos Leather Exports Pvt.

Ltd. Due to failure of the borrower to repay the loan amount, the Corporation took possession of the suit property under Section 29 of the State Financial Corporations Act, 1951 and auctioned the same. Shri C.K. Poovaiah gave the highest bid of Rs. 21,75,000/- but did not deposit the bid money resulting in cancellation of the auction. Thereafter, respondent No. 2 came out with the proposal that the petitioner is ready and willing to purchase the property for Rs. 22,00,000/-. At one stage, the Corporation accepted the proposal of the petitioner but the sale could not be finalised because the Bangalore Development Authority initiated the acquisition proceedings in respect of the suit property. Later on, the petitioner represented to the Corporation vide letters dated 22.09.2003 and 27.9.2003 to return the amount of sale price by retaining only Rs.1,00,000/- and pleaded that the sale may be finalised after the suit property is released from the acquisition.

After 2 years of the withdrawal of sale price, the petitioner filed Writ Petition No. 16860 of 2005 in the Karnataka High Court, which was disposed of by the learned Single Judge by giving liberty to the petitioner to file

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civil suit. OS No. 985 of 2006 filed by the petitioner was dismissed by the trial Court, which took cognizance of the fact that a huge sum of Rs. 95,00,000/- had been offered to the Corporation for the suit property. The trial Court held that the petitioner has failed to make out a case for ordering specific performance of the so-called agreement for sale.

The appeal preferred by the petitioner was dismissed by the learned Single Judge of the High Court, who agreed with the trial Court that there was no justification for granting specific performance of the agreement entered into between the parties in 2003.

We have heard Shri P.V.Shetty, learned senior

counsel for the petitioner and perused the record.

In our view, the detailed reasons assigned by the trial Court and the High Court for refusing to entertain the petitioner's prayer for ordering specific performance of the so called agreement for sale do not suffer from any infirmity warranting interference by this Court under Article 136 of the Constitution.

The petitioner has not placed any material before the Court to controvert the finding recorded by the trial Court that the Corporation had received an offer of Rs.95,00,000/-. Therefore, there is no valid ground much less justification, legal or otherwise, for directing the Corporation to execute the sale deed in favour of the petitioner by accepting a sum of Rs. 22,00,000/-.

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The special leave petitions are accordingly dismissed.

We hope and trust that the Karnataka State Financial Corporation will dispose of the suit property by auction.

The Registry is directed to forward a copy of this order to the Managing Director of the Karnataka State Financial Corporation at Bangalore.

(Parveen Kr.Chawla)
Court Master

(Phoolan Wati Arora)
Court Master