IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12..02..2015

CORAM

THE HON'BLE Mr.SANJAY KISHAN KAUL, CHIEF JUSTICE
and
THE HON'BLE Mr.JUSTICE M.M.SUNDRESH

O.S.A.No.294 of 2014

Tamil Nadu Ware Housing Corporation,
Having its registered office at
No.82, Anna Salai, Guindy,
Chennai-600 032. ..Appellant

Versus

The Official Liquidator,
High Court, Madras, as the Liquidator of
M/s Tamil Nadu Steels Limited
(in Liquidation) ..Respondent

Prayer: Original Side Appeal filed under Order XXXVI Rule 9 of Original Side Rules read with Clause 15 of Letters Patent against the Order and Decree dated 25.06.2014 made in Comp.A.No.619 of 2014 in C.P.No.378 of 1997 on the file of this Court.

For Appellant :: Mr.Om Praksh for
Mr.J.Nithyanandan

For Respondents :: Mr.B.Dhanaraj

JUDGMENT
(Judgment of Court was made by M.M.Sundresh.J.,)

Tamil Nadu Steels Limited was established at Arakkonam as a Unit of Tamil Nadu Industrial Development Corporation Limited (TIDCO), a Government of Tamil Nadu undertaking.

2. Lands have been acquired in Kavanur Village, Arakkonam Taluk, and vested with TIDCO, which in turn, transferred to Tamil Nadu Steels Limited. Tamil Nadu Warehousing Corporation Limited, an undertaking of Government of Tamil Nadu/Appellant, made a decision to establish a warehouse at Arakkonam. On 31.03.1983, TIDCO, by a letter No.1TWC/L/DOM(C)/83, allotted 10 acres of land to the appellant from the lands allotted to Tamil Nadu Steels Limited. Accordingly, on 07.04.1993, an extent of 9.3 acres and 0.69 acres admeasuring 10 acres of land was handed over to the appellant by the Tamil Nadu Steels Limited. The appellant has been in possession of

the said extent of land from that day onwards. The payment of Rs.1,50,000/- was also acknowledged by TIDCO being the sale consideration for the lands transferred.

3. In pursuant to the orders passed by the Government in G.O.Ms.No.190 (Industries (MIAT) Department, dated 10.07.1997, ratifying the transfer of 10 acres of land by the Tamil Nadu Steels Limited to the appellant in pursuant to the resolution of the TIDCO dated 22.03.1983, a sale deed was executed on 10.09.1998 in favour of the appellant. The sale deed could not be registered in view of the issue governing exemption of requisite stamp duty. A letter was also written by the Secretary to Government, Industries Department, on 10.12.1998 to the Inspector General of Registration to issue adequate instruction to the Office of the Sub Registrar towards the registration of the sale deed.

4. On 23.06.2000, this Court in C.P.No.378 of 1997 ordered winding up of the Tamil Nadu Steels Limited. The respondent herein was appointed as an Official Liquidator. Consequently, the Secretary to Government of Tamil Nadu, Industries Department, informed the appellant to approach the Official Liquidator. The appellant accordingly, approached the Official Liquidator. As the request made by the appellant was rejected by the Official Liquidator, the appellant filed an application in C.A.No.619 of 2014 in C.P.No.378 of 1997 seeking a direction to the respondent to execute sale deed in its favour. The learned single judge dismissed the said application on the ground that since the sale consideration has not been received by TIDCO, it may not be appropriate to direct the appellant to execute sale deed. Challenging the same, the present appeal has been filed.

5. The facts narrated above are not in dispute. Admittedly, the Tamil Nadu Steels Limited was a unit of TIDCO. Possession was handed over to the appellant by the TIDCO and payment was duly made to it. The Government has also ratified the transfer. A resolution was also passed to that effect. Consequently, a sale deed was also executed by the Tamil Nadu Steels Limited as early as on 10.09.1998. The sale deed could not be executed at the earlier point of time in view of the issue pertaining to the exemption of stamp duty for registration. What the appellant has sought for is a mere execution of the sale deed, by which, there was a due consideration in favour of TIDCO. That is the reason why, the Government has passed an order followed by a resolution passed by TIDCO, resulting in the execution of the sale deed by the Tamil Nadu Steels Limited as early as on 10.09.1998. When such a sale consideration was received by TIDCO, it amount to a corresponding receipt by Tamil Nadu Steels Limited. The appellant has been pursuing the matter with the Government for quite some time. It is settled law that a title passes from the date of the execution of the document and not from the date of the registration as held by the Supreme Court in the following judgments.

i. ITTIANAM AND OTHERS V. CHERICHI ALIAS PADMINI ((2010) 8 MLJ 1098) (SC);

ii. HAMDA AMMAL V. AVADIAPPA PATHAR AND THREE OTHERS ((1991) 1 SCC 715); and

iii. A.JITHENDERNATH V. JUBILEE HILLS CO-OPERATIVE HOUSE BUILDING SOCIETY AND ANOTHER ((2006) 10 SCC 96).

6. In the case on hand, the appellant merely seeks the execution of the document, though it was done already on 10.09.1998. We are convinced that the appellant has been pursuing the case continuously and therefore, the question of delay and laches would not arise. Considering the facts as dealt with supra, either on facts or on law the respondent cannot refuse to execute the sale deed merely because the Official Liquidator had taken over the charge in pursuant to the order passed in the company petition. The respondent cannot be allowed to approbate or reprobate. For the foregoing, the order passed by the learned single Judge is set aside and The appellant is directed to hand over the draft sale deed to the respondent within a period of four weeks from the date of receipt of a copy of this order. The respondent is directed to execute the sale deed in favour of the appellant, within a period of two months thereafter.

Accordingly, the Original Side Appeal is Allowed. No costs.

Sd/-
Assistant Registrar
Dated:27.2.15

True Copy

Sub Assistant Registrar

To

The Sub.Asst.Registrar,
Original Side, High Court,
Madras.

+1 cc to Mr.B.Dhenraj, Advocate,SR.7755

+1 cc to Mr.J.Nithyanandan, Advocate,SR.7617.

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