

HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN

AND

HON'BLE SRI JUSTICE P.KESHAHA RAO

WRIT PETITION No. 1181 OF 2019

ORDER: (*per V. Ramasubramanian, J*)

The petitioners, who are Directors of a private limited company, viz., M/s. DRD Trucks (India) Private Limited, have come up with the above writ petition challenging an order of attachment of two immovable properties standing in their names.

2. Heard Mr. M.V.J.K. Kumar, learned counsel for the petitioners and Mr.J. Anil Kumar, learned Special Standing Counsel for the respondents.

3. Admittedly, the dealer in default was the Private Limited Company of which the petitioners are the Directors. There is no dispute about the fact that the properties in question stand in the name of the petitioners. This is borne out not only by the order of attachment impugned in the writ petition but also by the Encumbrance Certificate now produced by the learned Special Standing Counsel. It appears that one item of the property sought to be attached was purchased by petitioner No.1 by a sale deed, dated 28.08.2002. The other property was purchased by petitioner No.2 under a sale deed, dated 22.08.2002. Later on, the property was leased out to the dealer in default under a lease deed, dated 18.05.2006.

4. Merely because the property was under lease to the dealer in default, the same cannot be attached. Attachment can be only of the properties of the dealer in default. The very concept of a limited company is that the liability of the company is not the liability of the directors or the shareholders.

5. Therefore, the writ petition is allowed, the impugned order *set aside*. However, it will be open to the Department to proceed against the dealer in default in a manner known to law. No order as to costs.

As a sequel, miscellaneous petitions, if any, pending in the Writ Petition stand dismissed.

V. RAMASUBRAMANIAN, J

P. KESHAHA RAO, J

February 01, 2019

Note:

Furnish c.c. of order by 04.02.2019.
(B/O.)gkv/Mgr