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Comp.A.No.679 of 2018
in C.P.No.255 of 2014

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ABDUL QUDDHOSE, J.

The Official Liquidator,
High Court, Madras as the Liquidator of
M/s.First Leasing Company of India Limited,
(In Provisional Liquidation)

... Applicant

Vs.

M/s.C-Edge Technologies Ltd.,
Rep. by its Directors,
Having its Registered office situated at,
Banyan Park, Suren Road,
Andheri East, Mumbai – 400 093.

... Respondent

This Application has been filed by the Official Liquidator seeking for directions which includes the direction to the respondent to pay the lease rentals for a particular period.

2. Learned counsel for the respondent submits that the application has now become infructuous in view of the following reasons:-

- i. Subsequent to the filing of this application and pursuant to the directions given by this Court, the respondent has paid the lease rentals;



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ii. has paid the value of the machineries;

iii. and has also paid the sale price for the said machineries namely 440
ATMs.

3. The learned counsel for the respondent drew the attention of this Court to the various orders passed by this Court which is reflected in the reply dated 31.07.2023 filed by the respondent in this application.

4. However, according to the learned Official Liquidator, even though the respondent has purchased the machines, the respondent is liable to pay the lease rentals for the period from the date of expiry of lease till the date of sale i.e. from 01.07.2018 to 31.12.2019 (18 months). Under the Lease Agreement, the learned Official Liquidator relies upon Clause 24 of the Lease Agreement for making the subject claim against the respondent.

5. It is an undisputed fact that the respondent has purchased the machines through a public auction conducted by the Official Liquidator by paying the sale consideration for the same. In fact, as seen from the documents filed by the respondent, the Official Liquidator's Office has sent



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a communication to the respondent on 23.01.2020, confirming the receipt from the respondent a sum of Rs.76,29,000/- towards the sale price for 440 ATMs sold to them, which were earlier owned by the Company under liquidation namely M/s.First Leasing Company of India Limited.

6. The question of payment of lease rentals for the period from the date of expiry of the lease till the date of sale, will not arise in view of the following reasons:-

- a) Only on payment of the entire lease rentals by the respondent who had entered into a lease with the Company under liquidation (M/s.First Leasing Company of India), the option to purchase the machinery is available under the Lease Agreement.
- b) Having allowed to purchase the machineries through a public auction conducted by the Official Liquidator and the respondent having paid the sale price, the question of claiming lease rentals by the Official Liquidator's Office for the period from the date of expiry of the lease till the date of sale i.e. for a period of 18 months approximately, will not arise.



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7. Admittedly, the respondent has paid the entire sale price for 440 ATMs sold through public auction by the Official Liquidator's Office which is evidenced by the letter from the Official Liquidator's Office dated 23.01.2020 addressed to the respondent.

8. For the foregoing reasons, this Court is of the view that the claim for lease rentals for the period from the date of expiry of the lease till the date of sale, from the respondent, will not arise and it is rejected by this Court.

9. In the result, there is no merit in this application and accordingly, this Company Application is dismissed.

21.08.2023

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