IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **07.03.2025**

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THE HONOURABLE **MR.JUSTICE K.KUMARESH BABU**

C.S.No.282 of 2024

1.Sri Balaji Vidyapeeth
Rep.by its Trustee Thiru M.K.Rajagopalan

2.M.K.Rajagopalan

3.Tmt.R.Gowri

4.M.R.Prashanth

5.Ms.Urjitha Rajagopalan

all having their office at
Mahatma Gandhi Medical College Complex
Pondy-Cuddalore Main Road
Pillaiyarkuppam, Pondicherry 607 402 …Plaintiffs

PRAYER: Plaint filed under Order IV Rule 1 of the Original Side Rules read with Section 92(1) (f) and Order VII Rule 1 of Civil Procedure Code, 1908, praying that this Hon'ble Court may be pleased to grant judgment and decree permitting the 1st plaintiff trust to convey the suit schedule mentioned property to the prospective purchaser M/s.Arihant Foundations and Housing Limited for a consideration for not less than Rs.5,00,00,000/- (Rupees Five Crores only) per ground.

For Plaintiffs : Mr.S.Rajasekar

JUDGMENT

This suit has been filed to seek permission to sell the suit schedule property of the first plaintiff trust to the prospective purchaser M/s Arihant Foundations and Housing Limited for a sale consideration not less than of Rs.5,00,00,000/- per ground.

2) It is the case of the plaintiffs that the first plaintiff is a public trust established with a corpus fund of Rs.9,000/- under the deed of declaration of the trust deed dated 30.06.2007 registered as Document No.161 of 2007 before the SRO, Bahour, Pondicherry and having its registered office at Mahatma Gandhi Medical College Complex, Pondicherry-Cuddalore Main Road, Pillaiyarkuppam, Pondicherry- 607 402. The plaintiffs 2 and 3 are the authors of the trust and fourth and fifth plaintiffs are the other trustees. The said trust with the object to provide education and research for the advancement of and dissemination of knowledge, is running some institutions and hospitals. This trust with an intention to establish a skill training centre, had purchased the suit schedule property for a sale consideration of Rs.107,00,00,001/- from M/s.Bay City Developers Pvt Ltd vide Sale deed dated 04.10.2018 registered as document No.2393 of 2018 in

the office of SRO, Adyar. The first plaintiff trust also purchased a property at Pammal. In order to develop the larger extent of property at Pammal and to administer the trust and its activities, the trust needed more funds and has decided to sell the suit schedule property and passed a resolution to that effect on 02.09.2024.

3) The first plaintiff trust appointed an engineering consultant and approved values, to provide a valuation report. Thereby, the United Shakthi Associates through its chartered engineer Mr.S.V.N.Natarajan assessed the fair market value for 36.62 grounds. However, after deducting 10% for OSR land, the extent of the property was arrived at 32.958 grounds at the rate of Rs.4,00,00,000/- per ground in the said report and the fair market value of the subject land was arrived at Rs.131,83,20,000/-. In respect of the same, to sell the suit schedule property, the first plaintiff trust gave paper advertisements on 06.09.2024 and received offers from four interested persons. Among them M/s Arihant Foundations and Housing Limited had offered the highest price at the rate of Rs.5,00,00,000/- and the same was accepted by the first plaintiff trust subject to leave/permission to sell obtained from this Hon'ble Court. A resolution to this effect was also passed by the Board of Trustees of the first plaintiff trust on 27.09.2024. Hence, the plaintiffs approached this Hon'ble

Court to seek necessary leave to sell the suit schedule property.

4) On the side of the plaintiffs, Mr.S.Moorthy was examined as PW1 and Mr.Bharatkumar Mangilal Jain was examined as PW2 and Ex.P1 to Ex.P19 were marked. There is no defendant in the suit.

5) Mr.S.Rajasekar, learned counsel for the plaintiffs submits that the first plaintiff is a registered public trust under Document No.161 of 2007 marked as Ex.P2 and has its registered office at Pillaiyarkuppam. He submits that the plaintiffs 2 to 5 are the trustees of the first plaintiff trust. He further contends that the first plaintiff trust is running three institutions and hospitals i.e., 1) Mahatma Gandhi Medical College and Research Institute, Pondicherry, 2) Indira Gandhi Institute of Dental Science, Pondicherry and 3) Kasturba Gandhi Nursing College, Pondicherry. He submits that the first plaintiff trust has the objectives to provide instruction and training in medical, dental etc., and to provide for research for the Advancement of and dissemination of knowledge etc.,. He further submits that the first plaintiff trust to establish a skill training centre, had purchased the suit schedule property to an extent of 36.62 grounds for a sale consideration of Rs.107,00,00,0001/- vide sale deed document No.2393 of 2018 in the office

of SRO, Adyar which was marked as Ex.P4. The first plaintiff trust also purchased other properties including property at Pammal.

6) He further submits that the first plaintiff trust required funds to administer the trust and its activities and decided to sell the suit schedule property by a resolution dated 02.09.2024 which was marked as Ex.P6. He further submits that to assess the value of the suit schedule property the first plaintiff trust hired an engineering consultant, M/s.United Shakthi Associates and through its chartered engineer the suit schedule property was valued and the report of the same was marked as Ex.P7.

7) Further, he submits that after deducting 10% for OSR land, the extent of the property was arrived at 32.958 grounds at the rate of Rs.4,00,00,000/- per ground in the said report and the fair market value of the subject land was arrived at Rs.131,83,20,000/-. He contends that for the benefits of the trust to sell the suit schedule property for the best price, the first plaintiff trust gave paper publications in newspapers having wide circulation like ‘Dinamani’ and ‘The New Indian Express’ on 06.09.2024 and marked the newspapers as Ex.P8 and Ex.P9. As a result of the advertisement four offers were received from the interested persons.

8) He further submits that M/s.Arihant Foundations and Housing Limited, hereinafter referred as AFHL, has offered the highest price among the four to a tune of Rs.5,00,00,000/- per ground vide proposal letter dated 11.09.2024 marked as Ex.P10. Hence, the plaintiff trust accepted the offer subject to leave/ permission of this Hon’ble Court to sell the suit property and passed a resolution to that effect on 27.09.2024 which was marked as Ex.P11. He submits that the prospective purchaser has agreed to complete the entire transaction within a period of two months and was also satisfied with the title of the suit schedule property. Further, he submits that it is necessary and just to sell the suit schedule property to the highest price offerer in order to fulfill the main object of the trust.

9) He further submits that when the matter came up for hearing on 11.12.2024, this Hon'ble Court directed the first plaintiff trust to publish fresh advertisement in the newspaper on 28.12.2024 and posted the suit for hearing on 24.01.2025. He further submits that the first plaintiff effected the paper publications on 28.12.2024 and the same was marked as Ex.P12 and Ex.P13. He submits that in response to the advertisement, enhanced offers were received via email id. The printout of the offers received by emails are

filed herewith which was marked as Ex.P14. The AFHL had satisfied with the title of the suit schedule property and would require about forty-five days to complete the High-value transaction. He further contends that Motilal Oswal issued an approval letter dated 10.02.2025 extending the credit facility upto 160 crores for the purchase of the suit property and the same is marked as Ex.P18 and another loan sanction letter for Rs.175 crores of Aditya Birla Finance Ltd dated 11.02.2025 was marked as Ex.P19. He submits that the first plaintiff trust is required to sell the suit schedule property and the proposed purchaser was ready to purchase the suit property for the best sale consideration. Hence, he prays to decree the suit as prayed for to grant permission to sell the suit schedule property.

10) Heard the learned counsel for the plaintiffs and perused the materials available on record.

INFERENCE:

11) It is a categorical case of the plaintiff that the first plaintiff was established under Trust deed which was marked Ex.P2. The said trust runs various institutions with the objective of providing education and training in the medical field. Hence, for implementation and smooth functioning of trust, the trust decided to sell suit schedule property and passed a resolution on

02.09.2024. The plaintiff trust with the help of an engineering consultant appointed a chartered engineer to value the property and filed the report as Ex.P7. It is pertinent to note that though the plaintiff trust gave paper publications Ex.P8 and Ex.P9, on 06.09.2024 through which the proposed purchaser offered highest bid of Rs. 5,00,00,000/- in its letter dated 11.09.2024 marked as Ex.P10, this Hon'ble Court vide order dated 11.12.2024, directed the plaintiff trust to publish fresh advertisement in the newspaper on 28.12.2024. Further paper publications Ex.P12 and Ex.P13 were made on 28.12.2024, whereby five offers were received and the highest price was offered by the proposed purchaser to a tune of Rs.5.13 crores per ground. The same was also recorded by the order of this Court vide order dated 24.01.2025. In order to substantiate the readiness of the proposed purchaser, Mr.Bharatkumar Mangilal Jain, Whole time Director of the proposed purchaser was examined as PW2 and he produced the loan sanctions and the same were marked as Ex.P18 and Ex.P19.

12) From the assertions so made, this Court is also of the view, if the plaintiff trust are permitted to dispose of the suit schedule property and invest such sale proceed in the medium indicated by them, it would yield better income for carrying out the objects of the trust and the property of the trust

would be better protected. On considering the submission of the plaintiff trust and the offer of the proposed purchaser earmarked by this Hon'ble Court, this Court is inclined to permit the sale of the suit schedule property for the benefit of the trust.

13) Upon considering the assertions in the suit and the evidence adduced by the plaintiff, including regarding need of income to fulfill the objects of the trust, the plaintiffs are entitled to sell the property on terms and conditions specified below:

(i) the first plaintiff is permitted to sell the suit schedule property to the Prospective purchaser M/s. Arihant Foundations and Housing Limited for a sum not less than Rs.5.13 Crores per ground.

(ii) The Sale proceeds shall be placed in interest bearing fixed deposit accounts in a scheduled bank. Such fixed deposits shall be on auto renewable basis.

(iii) The trust is permitted to draw on the interest accruals from such fixed deposits for the exclusive purpose of fulfilling the objects of the trust.

(iv) The trust shall file an affidavit of compliance after undertaking the above exercise.

(v) The trust shall submit accounts on an annual basis.

14) In fine, the suit in C.S.No.282 of 2024 is decreed as prayed for. However, there shall be no order as to costs.

07.03.2025

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List of witnesses examined on the side of the plaintiffs:

PW1- Mr.S.Moorthy

PW2- Mr.Bharatkumar Mangilal Jain

List of documents marked on the side of the plaintiff:

ExP1	Board Resolution passed by the first plaintiff trust to give evidence	20.02.2025
ExP2	The certified copy of the Deed of Declaration registered as Doc.No.161 of 2007 (Certificate u/s 65B of IEAct produced)	30.06.2007
ExP3	The Certified copy of the Amendment Deed registered as Doc.No.2865 of 2015	19.10.2015
ExP4	The Certified copy of the Sale Deed registered as Doc.No.2393 of 2018	04.10.2018
ExP5	The certified copy of the sale deed registered as Doc.No.2898 of 2021	19.03.2021
ExP6	The Resolution of the Board of Trusteed deciding to sell the suit schedule property	02.09.2024
ExP7	The Valuation Report of the suit schedule property of Ms.United Shakthi Associates	23.09.2024
ExP8	The Newspaper Publication effected in Dinamani	06.09.2024

ExP9	The Newspaper Publication effected in The New Indian Express	06.09.2024
ExP10	The Proposal Letter given by M/s.Arihant Foundations and Housing Limited to purchase the suit property	11.09.2024
ExP11	The Resolution of the Board of Trustees authorising the trust to accept the offer	27.09.2024
ExP12	The Newspaper Publication effected in The New Indian Express	28.12.2024
ExP13	The Newspaper Publication effected in Dinamani	28.12.2024
ExP14	The Index to the Typed set of papers filed in C.S.No.282 of 2024	
ExP15	The series of printout of the Guidevalue for the period 01.04.2023 to 30.06.2024 & 01.07.2024 to 03.11.2024.	
ExP16	The Board Resolution of M/s. Arihant Foundations and Housing Limited Authorising to give evidence	27.01.2025
ExP17	The Topomappers Topographical Survey Map of T.S.No.13 and 14, Block 4, in Venkatapuram Village, Guindy Taluk, Saidapet, Chennai	
ExP18	The Letter issued by Motilal Oswal extending credit facility upto 160 crores for purchase of the suit schedule property	10.02.2025
ExP19	The Loan Sanction Letter for Rs.175 Crores of Aditya Birla Finance Limited	11.02.2025

Certificate u/s 65B of IE Act produced for the Exhibits Ex.P2 to Ex.P5, Ex.P10, Ex.P14 and Ex.P15.

07.03.2025

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K.KUMARESH BABU, J.

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