

W.P.Nos.8084 and 18371 of 2017
and Crl.O.P.No.26454 of 2018
 (Through Vide Conferencing)

M.SATHYANARAYANAN, J.,
and
N.SESHASAYEE, J.

[Order of the Court was made by **M.SATHYANARAYANAN, J.**]

Note of Report No.7 dated 28.03.2019 is filed. Heard the submission of Mr.C.Manishankar, learned Senior Counsel appearing for the Chairman of the Administrator Committee of M/s.Disc Assets Lead (India) Limited, Chennai-35. The learned Senior Counsel has drawn the attention of this Court to the properties proposed to be sold, given in the form of Tabular Column at Page No.8 of the Note to Report No.7 and made the following submissions. It is relevant to extract the details given in the said Tabular Column:

<i>Sl. No.</i>	<i>Description of Property</i>	<i>Total Extent</i>	<i>Valuation according to Erstwhile Managing Director</i>	<i>Upset Price</i>	<i>EMD (10% of Upset Price)</i>	<i>Administrator Committee's Valuation</i>
1	Courtallam Village, Tenkasi Talu, Tirunelveli District. Survey No.14, 15, 16, 17, 19/1, 17, 12	17.7 Acres	76,81,50,000 (76.81 Crores) (Not based on a Report)	88,50,00,000 (88.5 Crores)	8.85 Crores	Yet to be valued
2	Vilangudi Village, Madurai North Taluk, Madurai District. Survey	46.37 Acres	417 Crores (Not based on a valuation report)	405 Crores	40.5 Crores	Rs.91,55,50,000 (Valuation Report 1)

<i>Sl. No.</i>	<i>Description of Property</i>	<i>Total Extent</i>	<i>Valuation according to Erstwhile Managing Director</i>	<i>Upset Price</i>	<i>EMD (10% of Upset Price)</i>	<i>Administrator Committee's Valuation</i>
	No.61/1, 61/2, 61/4, 61/3A, 62/2, 59/6, 57/9, 57/11, 72/6, 56/3A, 58/3					Rs.89,66,00,000 (Valuation Report 2)
3	Door No.4. Plot No.10, New Flat No.2, First Floor, Raghavaveera Avenue, Poes Garden, Chennai-600 0086.	1874 Sq.Ft. UDS 1204 Sq.Ft.	8 Crores (Based on Valuation Report, 2015)	5,62,20,000	56.2 Lakhs	Yet to be valued
4	Door No.1/1 & 1, Plot No.23, Ground Floor, Masilamani Street, T.Nagar, Chennai-600 017	1719 Sq.ft. UDS 825 Sq.Ft.	3,50,00,000 (3.5 Crores) Based on Valuation Report, 2015	3 Crores	30 Lakhs	Document yet to be handed over
5	Door No.25, Flat No.3-A, 1 st Floor, Alankar Apartment, Rajabathar Street, Chennai	1000 Sq.Ft.	-	1,50,00,000 (1.5 Crores)	15 Lakhs	Document yet to be handed over

(i) Insofar as Item No.1 viz., property at Courtallam is concerned, the upset price of Rs.88.5 Crores have been fixed in consultation with the petitioners and Mrs.P.Bhagyalakshmi, learned counsel appearing for M/s.Disc Assets Lead (India) Limited also agreed that the said property can be sold for the upset price of Rs.88.5 Crores.

(ii) Insofar as Item No.2 viz., property at Vilangudi Village, Madurai District is concerned, though it is submitted on behalf of the petitioners by Mrs.P.Bhagyalakshmi, learned counsel that the property admeasures to an extent of 46.37 Acres and it's market value is worth Rs.487 Crores and therefore, valuation fixed by the Administrator Committee at Rs.91,55,50,000/- as per Valuation Report No.1 and a sum of Rs.89,66,00,000/- as per Valuation Report No.2 is very much on the lower sider. It is to be noted at this juncture that the same point was urged by the learned counsel for the petitioners on an earlier occasion and this Court has pointed out that it is open to the petitioners to bring offers in respect of the said property and even now, it is open to them to do so. This Court, taking into consideration the said fact, fixes the upset price for sale of the said property at Rs.91,55,50,000/-.

(iii) As regards Item No.3 viz., property at Poes Garden, Chennai-86 is concerned, it admeasures 1874 Sq.Ft. with UDS of 1204 Sq.Ft. and according to the valuation given by the Erstwhile Managing Director during the year 2015, it was Rs.8 Crores and Mrs.P.Bhagyalakshmi, learned counsel appearing for the petitioners would submit that since the said property is located in one of the prime areas in the City of Chennai, it would be worth more than Rs.8 Crores. However,

it is pointed out by Mr.C.Manishankar, learned Senior Counsel appearing for the Administrator Committee that on account of the recent policy, valuation of immovable properties are not picking up and got stagnant and they may be permitted to auction the property at Rs.5,62,20,000/- and then it is for this Court either to accept the bid in the event of anybody making the bid or it may order re-auction also and therefore, Item No.3 can be sold by fixing the upset price of Rs.5,62,20,000/-.

(iv) Insofar as Item Nos.4 and 5 viz., properties situated at Masilamani Street and Rajabathar Street, T.Nagar, Chennai-17 are concerned, it has been repeatedly pointed out by Mr.C.Manishankar, learned Senior Counsel appearing for the Administrator Committee that the original documents of title are yet to be handed over and it is the submission of Mrs.P.Bhagyalakshmi, learned Senior Counsel appearing for the petitioners that misplacement of original documents of title have already been advertised in news dailies and undertakes to handover the details of the same to the Committee which is administering the Disc Assets Lead (India) Limited.

2. Mr.M.S.Krishnan, learned Senior Counsel appearing for one of the members of the Administrator Committee would submit that despite the fact that

the original documents of title are not available, they may be permitted to sell Item Nos.4 and 5 by fixing the upset price of Rs.3 Crores and Rs.1,50,00,000/- respectively, specifically indicating as to the non-availability of original documents of title so that response of the bidders purchasing the said properties can be found out. In the light of the said submission, permission is granted to sell Item Nos.4 and 5 by fixing the upset price of Rs.3 Crores and Rs.1,50,00,000/- respectively.

3. It is the further submission of Mr.M.S.Krishnan, learned Senior Counsel appearing for one of the members of the Administrator Committee that considering that the upset price in respect of Item Nos.1 and 2 are very much on the higher side, they may be permitted to fix 5% of the upset price as Earnest Money Deposit. This Court also heard the submission of Mrs.P.Bhagyalakshmi, learned counsel appearing for the petitioners also. Accordingly, the Earnest Money Deposit is fixed at 5% of the upset price in respect of Item Nos.1 and 2 and for rest of the items, it is fixed at 10% of the upset price.

4. Now coming to the Note to Report No.7, insofar as Paragraph No.5 is concerned, it is stated that 48 original documents of title are yet to be handed over and as per the report of the Deputy Superintendent of Police / Investigating

Officer, 59 original title deed documents are yet to be handed over. The said fact is disputed by Mrs.P.Bhagyalakshmi, learned counsel appearing for the petitioners, who undertakes to file her response to the same.

5. Similarly, in Paragraph No.7 of the Note to Report No.7, it is indicated that in terms of the earlier order dated 28.01.2019, the committee has conducted due investigating by making verification from the MCA website and it is seen that out of 36 companies, 6 companies are active and 2 companies are amalgamated and as regards 4 companies are concerned, the status reflected in the MCA website as “No Records” and the status of the balance companies are shown as “struck off” and the list of the companies as available in the website is tabulated in Page Nos.5 to 7 of the said Note to Report No.7.

6. Mrs.P.Bhagyalakshmi, learned counsel appearing for the petitioners prays for some accommodation to respond to the allegations made in Paragraph Nos.5 and 7 of the Note to Report No.7. The Deputy Superintendent of Police, Economic Offences Wing (II), Madurai / Investigating Officer is also directed to verify the said details found in Page Nos.5 to 7 of the said Note to Report No.7 and file his response, especially as to the ownership of the assets either movable or immovable.

7. Now coming to Paragraph No.6 of the Note to Report No.7 is concerned, Mr.C.Manishankar, learned Senior Counsel appearing for the Administrator Committee as well as Mr.M.S.Krishnan, learned Senior Counsel appearing for one of the members of the Administrative Committee expresses grave concern that in the light of ensuing Lok Sabha Elections, securities provided to the office premises at No.59/01, New No.119, Canal Bank Road, CIT Nagar, Chennai-35 is sought to be downgraded from 4 to 2 and it has been further pointed out that even the said policemen in-charge of security are operating in shifts.

8. In the light of the fact that original title deeds numbering 944 are kept in the said premises and according to the report, the properties are worth more than Rs.700 Crores and large number of claims are yet to be satisfied, this Court feels that the policemen provided as of now for the purpose of security shall continue.

9. **Call on 25.04.2019.** Response on behalf of the writ petitioners and Status Report of the DSP/Investigating Officer with supporting documents by then.

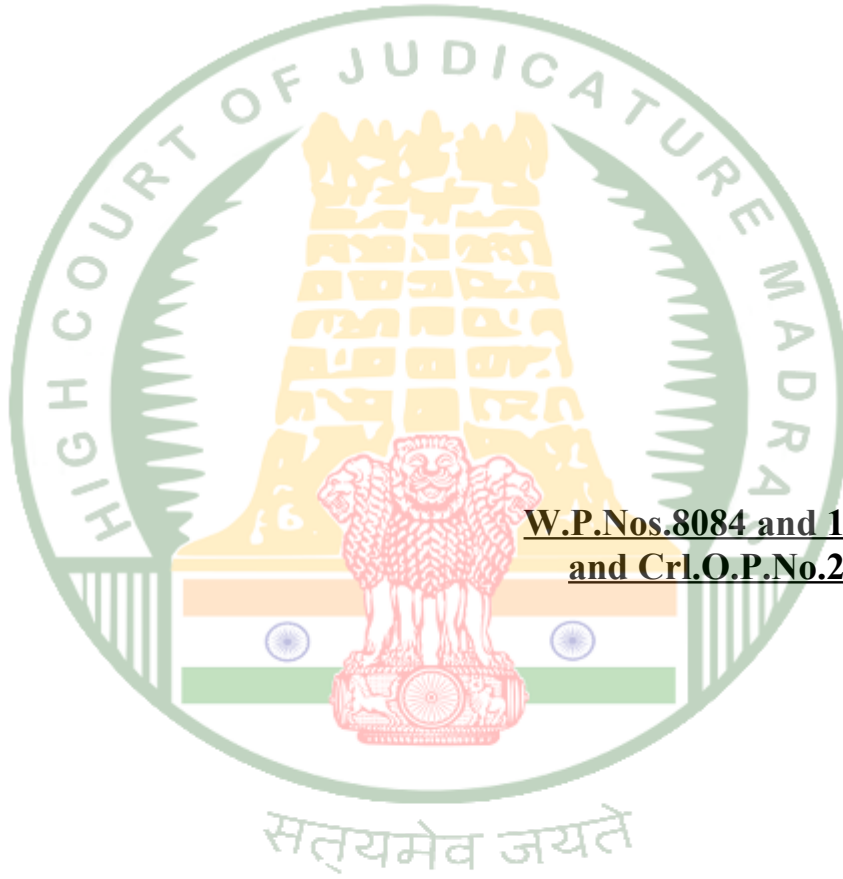
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[M.S.N., J.] [N.S.S., J]
28.03.2019

Jvm

Note: Registry is directed to communicate this order to all the official respondents as well as to the learned Chairman of the Administrator Committee appointed by Court and the parties are at liberty to get certified copy of the order, subject to payment of necessary charges.

M.SATHYANARAYANAN, J.,
and
N.SESHASAYEE, J.
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