

**SUPREME COURT OF INDIA**

Delhi Development Authority

Vs.

Skipper Construction

(P.B. Sawant, S. Mohan and B.P. Jeevan Reddy JJ.)

08.02.1995

**ORDER**

1. The facts leading to contempt proceedings are as under: On 8.10.1980, an auction was held by the Delhi Development Authority (hereinafter referred to as the DDA ) of the Commercial Tower Plot, Jhandewalan, Block E, New Delhi ad measuring about 2540 sq. mtrs. The first respondent. Ws. Skipper Construction Co. (P) Ltd. (hereinafter referred to as the Skipper) was the highest bidder, its bid being Rs. 9.82 crores. As per the conditions of the auction, Skipper deposited 25% of the bid amount. The said bid was confirm the DDA on 14.10.1980. Skipper was called upon to make the balance of payment of 75% of the bid amount within 90 days as per the conditions of the auction.

2. The Government of India issued directions to the DDA to accept the request of Skipper and to grant an indulgence to it and directed the DDA to reschedule the recovery of 75% of the bid amount with interest from the Skipper. Consequent to this, DDA called upon the Skipper to enter into fresh agreement, license agreement and furnish bank guaranties in compliance with the directions of the Central Government.

3. On 11.8.1987, Skipper entered in a license agreement, paid 50% of the original bid and secured payment of the balance 50 % of the bid and interest at the rate of 18% per annum thereon by submitting bank guarantees for Rs.9.82 crores, in terms 'of which a sum of approximately 1.944 crores was required to be paid as each instalment. A total of 5 instalments was payable every six months., the first being due on 15.9.1987 and the last on or about 15.9.1989.

4. Against the first instalment of Rs.1.944 crores falling due on 15.9.1987, DDA recovered about Rs. 88.76 lacs by encashment of the bank guarantee on 7.12.1987. Thereafter the first respondent did not pay in terms of the agreement.

5. On 4.10.1988, the Lt Governor issued a direction at the request of Skipper, deferring recovery from Skipper of the 2nd instalment as per the agreement dated 11.8.1987 till one month after the sanctioning of the building plans.

6. In August, 1987, the first respondent filed writ petition in the High Court of Delhi, being CWP No. 2371 of '1989. The principal relief sought in the writ petition related to sanctioning of building plans and permission for construction. An interim order was passed directing the Skipper to furnish fresh bank guarantee since the bank guarantee furnished earlier had lapsed. The DDA did not encash the fresh bank granite which was detective. Time and again the DDA represented to the Court that the monies were outstanding from the Skipper and no indulgence ought to be shown to them till the payments were made. The question of payment of the outstanding amount of over Rs. 8 crores under the principal sum itself



(iv) -Mat the petitioners shall not induct any person in the building or create any right in favour of any third party.

(v) -Mat the matter be listed for further orders before this Court on 9th April, 1991."

15. On 4.2.1991, in violation of the agreement and in gross contempt of the above order, the Skipper issued advertise- ment in the leading newspapers seeking to create 3rd party rights.

16. On 25.1.1993, SLP(C) No. 186 of 1991 was dismissed by this Court. By virtue of the above order, the DDA on, 10.2. 1993 re-entered and took physical possession of the said property, free from all encumbrances; monies paid by the Skipper were forfeited.

17. Notwithstanding all these, Skipper filed yet another suit on the original side of the High Court of Delhi, being Suit No. 770 of 1993 for the reliefs of- (i) permanent induction restraining the DDA from interfering with the title and possession of the property; (ii) for mandatory injunction directing the DDA to recompute the principal amount and interest payable by Skipper; (iii) for a declaration that the present calculations are wrong;

(iv) for a declaration that re-entry/ re-possession and determination of the rights of Skipper are bad in law and nonest;

(v) for a declaration that all dues have, been paid by Skipper to the DDA; and

(Vi) a declaration that clause 15 of the License Agreement dated 1 1. 8. 1987 is non-est and bad in law.

18. On service of notice, DDA filed application, I.A. No.8500 of 1993 in Suit No. 770 of 1993, for rejection of the plaint as all the issues raised by Skipper were resjudicata and even otherwise the plaint was barred by law. The said application is pending disposal.

19. On 8.11.93, DDA issued notices for auction of the said property. The 2nd respondent sought to implead itself in the suit and on 1.12.1993 filed an application for stay of auction which was opposed by the DDA.

20. On 9.12.1993, a learned Single Judge of the Delhi High Court allowed the auction to proceed with and restrained the DDA from accepting or confirming the bid at the auction scheduled for 10. 12.1993. Aggrieved by this order DDA filed SLP(C) No. 21000 of 1993 against the interim order of the Delhi High Court.

21. I.A. 3 of 1994 is an application for intervention filedon behalf of DDA. While disposing of SLP(C) No.21000 of 1993 and the said I.A. No.3 of the 1994 we issued notice on 29.11.94 by exercise of our Suo Moto powers directing Tejwant Singh and Mrs. Surinder Kaur to show cause as to why they should not be punished for contempt of court for their following acts;

"(a) Instituting suit being Suit No.770 of 1993 inthe Delhi High Court in respect of the same subject matter after this Court confirmed the orders of the said High Court dated 21.12.1990 and 14.1.199 1, by its order date d 23.1.1993.

(b) Entering into agreement for and handing over possession of and receiving monies and creating interests in the premises in the building under construction in the suit property, viz., the Commercial Tower Plot, jhandewalan, Block C, New Delhi, admeasuring about 2540 sq. mtrs. with constructions















Thanking you.

Yours faithfully,

For and on behalf of

Skipper Construction Co. Pvt. Ltd.

sd/

(Director)" Emphasis supplied)

Mrs. Anjana Khosla Date 25.11.92

602, Hemkunt Tower

6, Rajendra Place,

NEW DELHI

Respected Madam.

We are please to hand over you vacant peaceful physical possession of shops 3 and 4, measuring super area Jhandewalan Extension, New Delhi against total payment of Rs. 19,12,163/made by you to us as under:

Date Mode of payment Amount

07.08.87 cash 1,32,000.00

25.11.92 cash order No.04 165

drawn on Punjab National

Bank, Rajendra Place , New Delhi

being the full and final payment 17,80,163.00 (Rupees Nineteen Lac Twelve

Thousand One Hundred and

Sixty Three) 19,12,163.00

We assure you that the aforesaid shops Nos 3 and 4 are free from all kinds of sales, encumbrances, disputes, litigations, stays, and orders and you are the only rightful owner of aforesaid shops Nos 3 and 4.

Thanking you,

For and behalf of



