

SUPREME COURT OF INDIA

Union of India

Vs.

M/S Shatabadi Trading & Investment Pvt. Ltd.

C.A.No.6054 of 1998

(K.G.Balakrishnan and S.R.Babu JJ.)

10.08.2001

JUDGMENT

Rajendra Babu, J.

1. In respect of property comprised in 25, Friends Colony West, New Delhi [hereinafter referred to as 'the subject property'], an agreement was entered into to sell for a consideration of Rs.1.75 crores on 1.2.1991. On 4.2.1991, the intended seller and the purchaser filed Form 37-I for issuance of 'No Objection Certificate'. However, on 18.4.1991, a purchase order was passed by the Appropriate Authority and on the same day, the owner of the land was directed to surrender the possession of the subject property. In that regard, a writ petition was preferred before the High Court and on March 1, 1993, that writ petition was allowed in the light of the decision of this Court in C.B. Gautam vs. Union of India, 1993 (1) SCC 78. Subsequent to the decision in the said writ petition decided by the High Court a show cause notice had been issued disclosing the following facts:

"In the case of subject property, the apparent consideration is Rs.1,75,00,000. The plot area is 3595.32 sq. mts. including 830.95 sq. mtrs. Declared as excess land under ULCR Act. The net plot area comes to $Rs.3595.32 - 830.95 = 2764.37$ sq. mtrs. If salvage value of Rs.1,64,445 is considered, the achieved land rate works out to $Rs.1,75,00,000 - 1,64,445 = 1,73,35,555$ divided by $2764.37 = Rs.6271$ per sq. metr. We may compare the sale instance of property at 60, Friends Colony (East) which was agreed to be sold on December 5, 1990 for apparent consideration of Rs.2,65 crores. If the depreciated value of structure of sale instance is taken at Rs.11,60,000 the land rate per sq. mtr. works out to $Rs.2,65,00,000 (-) 11,60,000 = 2,53,40,000$ divided by $1173.91 = Rs.21,586$. If adjustment on account of time gap of.