

SUPREME COURT OF INDIA

Syndicate Bank

Vs.

Estate Officer & Manager, A.P.I.I.C. Ltd.

C.A.Nos.7833-37 of 2004

(S.B. Sinha and Markandey Katju JJ.)

30.08.2007

ORDER

1. On or about 19.03.1969, United Auto Tractor Ltd. (for short, 'the Company') filed an application before the State Government for allotment of 100 acres of land in the industrial area for setting up an industrial unit for the purpose of manufacture of agricultural tractors and implements. The Government of Andhra Pradesh pursuant to or in furtherance thereof made allotment of 51 acres of land in the Industrial Development Area, Nacharam, Andhra Pradesh to the Company for the aforementioned purpose in terms of an order dated 18.07.1972. On 03.08.1972, an agreement was entered into by and between the Government of Andhra Pradesh and the Company in relation thereto; some of the terms and conditions whereof are as under :

"6. Only on the completion and full payment of the entire consideration amount, the sale deed shall be executed and registered in the name of the company.

xxx xxx xxx

8(a) Without prejudice to the rights of the State Bank of India or any other financing agency approved by the Government as first mortgagees, Government have a second charge on the land, buildings, plant and machinery which shall be converted into a first charge when the obligation of the financing agencies are liquidated.

8(b) If the Financing Institutions were to advance more than 60% of the value of the land, building, machinery and structure, prior agreement of the Government will be required.

xxx xxx xxx”

13. The company shall bear, pay and discharge all existing and further amounts, duties, imposing and out-going of whatsoever rates, taxes imposed or charged upon

the premises or upon the occupier in respect thereof from the date of taking possession.

*** ** (s) Till such time as the ownership of the property is transferred to the Company in the manner mentioned above the property shall continue to remain the property of the Government.