

SUPREME COURT OF INDIA

M/s Satnam Agro Industries

Vs.

State of Punjab

CrI.A.No.1607 of 2008

(Lokeshwar Singh Panta and V.S. Sirpurkar JJ.)

14.10.2008

ORDER

1. Delay condoned.

2. Leave granted.

3. Heard learned counsel for the parties.

4. This Court on 9th September, 2008 has given a proposal to the counsel for the parties to the effect that paddy/rice, which is a perishable item lying in the court custody, be sold by public auction to be conducted by the court to avoid any further loss and the sale proceeds be deposited in the court and the court shall keep the said amount in a fixed deposit receipt in a nationalised bank to earn interest on the said amount. But in the meantime, complaint filed by M/s. Punjab State Civil Supplies Corporation Ltd. (in short 'PUNSUP') and declaration suit may continue and on the end of the proceedings whosoever is found entitled shall get the sale proceeds received by public auction along with interest accrued thereon. It was made clear to all the parties that whosoever would be responsible for causing loss should make good the difference of the actual amount minus the sale proceeds to the other party along with interest as directed by the court.

5. Today, Mrs. Jayashree Wad, learned counsel appearing for the PUNSUP, submits that the said proposal for selling the paddy/rice by public auction is acceptable to the Corporation. She further submits that the amount so recovered from the open auction shall not be paid to the appellant without furnishing Bank Guarantee.

6. We have gone through the judgment of the High Court impugned in this appeal. Looking to the facts of the case and the controversy involved, we in the interest of both the parties order that the peddy/rice presently lying in the court custody at Guruharsahai, District Ferozpur shall be put to public auction. Additional Chief Judicial Magistrate, Ferozpur shall conduct the public auction with the help of the Collector of the District or any other officer

authorised by the Collector, after giving due publicity to the prospective auction purchasers as per the procedure adopted by the concerned Executive Officer.

7. The sale proceeds received from such auction, initially shall be paid to the appellant - M/s. Satnam Agro Industries subject to the condition that the appellant-Firm shall furnish bank guarantee for the said amount before the Additional Chief Judicial Magistrate, Ferozpur. The process of auction shall be finalised within six weeks from this order. All rights and contentions raised by the parties before us are left open for the decision of the appropriate authority in appropriate proceedings. We hope that the civil suit and the criminal proceedings pending in the respective courts shall be expeditiously decided.

8. The Criminal Appeals are accordingly disposed of.