

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

Civil Appeal No 10856 of 2016

Bhupinder Singh

Appellant(s)

Versus

Unitech Limited

Respondent(s)

ORDER

IA No 58386/2021 and IA No 105758/2021 in Civil Appeal No 10856/2016

- 1 On 14 December 2018, a Memorandum of Understanding (MoU) was entered into between the Unitech Limited and Priadarshni Foundations Pvt Ltd ("Priadarshni"). The total area of the land covered by the MoU was 380.30 acres. The land was agreed to be sold at the rate of Rs 82 lakhs per acre making a total consideration of Rs 311.85 crores. An amount of Rs 60 crores was deposited in the Registry of this Court by the purchaser : Rs 5 crores on 20 November 2018, Rs 45 crores on 23 January 2019 and Rs 10 crores on 25 July 2019. Land ad-measuring 30.71 acres was transferred to Priadarshni by adjusting an amount of Rs 25 crores out of Rs 60 crores lying in deposit in the Registry. The balance acreage which was to be transferred was 349.59 acres against a total consideration of Rs 251 crores.

- 2 Extensions of time were granted by this Court on the request of Priadarshni to pay the balance, as will be detailed hereafter:
 - (i) By an order dated 20 January 2020, time for the payment of the balance was rescheduled to February-March 2020;
 - (ii) By an order dated 31 July 2020, time to pay the balance was extended until 21 August 2020 with a provision for forfeiture in the event of default; and
 - (iii) By an order dated 25 March 2021, an additional period of five months was granted to pay the balance subject to a condition of forfeiture.
- 3 The interest which was payable on the outstanding balance was reduced from 18%, as provided in the MoU, to 12%, as a matter of concession.
- 4 Time has expired to pay the balance of Rs 251 crores. No payment has been made. Two cheques dated 19 October 2019 issued by Priadarshni were dishonoured.
- 5 Priadarshni has in its interlocutory application sought a further extension to time for completing the transaction till February 2022 and for recalling the order of this Court dated 25 March 2021.
- 6 Dr Abhishek Manu Singhvi, learned senior counsel appearing on behalf of the applicant submitted that Unitech Limited was not in a position to convey the title in respect of the entirety of the balance tranche of lands, consequent

upon which, the payment was not made. This submission has been resisted by Mr N Venkataraman, learned Additional Solicitor General on the ground that Priadarshni had entered into the transaction after conducting a due diligence and the submission which is now sought to be urged has been considered and rejected previously by this Court.

- 7 Right from 20 January 2020, repeated extensions of time were granted to Priadarshni to pay the balance. Despite these extensions which have been noted above, no payment has been forthcoming in spite of the fact that the rate of interest which was payable in terms of the MoU was scaled down from 18% to 12%. As a matter of fact, it has also been drawn to the attention of the Court by the learned Additional Solicitor General that though the lands which were conveyed to Priadarshni (30.71 acres) were sold at the rate of Rs 82 lakhs per acre, registration was done by the erstwhile management of Unitech Ltd at the rate of Rs 24 lakhs per acre.
- 8 Sufficient opportunities have been granted to Priadarshni to abide by the terms of the transaction. The orders of this Court have clearly placed it on notice that a forfeiture of the amount which has been deposited would result if the payment is not made. The Additional Solicitor General has submitted that the lands which were conveyed to Priadarshni ad-measuring 30.71 acres had a frontage and there has been a deliberate effort on the part of the purchaser not to pay for the balance of 349.59 acres.

- 9 In these circumstances, the directions, which have been sought by Mr N Venkataraman, learned Additional Solicitor General, are as follows:
- (i) The land ad-measuring 30.71 acres which was transferred to Priadarshni as part of the overall transaction of 380.30 acres must be reconveyed back against a payment of Rs 25 crores which has been paid for the purchase of the said lands;
 - (ii) As a consequence of (i) above, Priadarshni may withdraw the amount of Rs 25 crores out of the amount lying in the Registry simultaneously with the execution of a deed of reconveyance at their costs and expenses, including stamp duty and registration charges which shall be effected within a period of one month; and
 - (iii) The balance of Rs 35 crores be forfeited.
- 10 The narration of the facts in the earlier part of the order would indicate that the reasons which have been adduced by the purchaser for failing to comply with the terms of the MoU despite having sought repeated extensions of time are plainly unacceptable. The submission based on the title of Unitech has been rejected previously by this Court. The purchaser has been placed on notice of the consequences of the default. The purchaser cannot be permitted to take a portion of the overall lands covered by the MoU without paying for the entire land covered by the MoU. Moreover, two cheques which were issued in pursuance of a solemn obligation assumed by the purchaser have been dishonoured. The purchaser cannot be allowed to retain only a

segment of the overall tranche of lands covered by the terms of MoU. Priadarshini is in willful default. No further extension of time can be granted.

11 In the circumstances, the following directions are issued:

- (i) Within a period of one month from the date of this order, Priadarshni Foundations Pvt Ltd shall reconvey the lands ad-measuring 30.71 acres to Unitech Ltd, presently managed by a Board of Directors constituted by the Government of India;
- (ii) Priadarshni Foundations Pvt Ltd would be entitled to a refund of an amount of Rs 25 crores against the reconveyance of the lands referred to in (i) above, being the consideration which was paid by it at the time of the conveyance.
- (iii) Priadarshni Foundations Pvt Ltd shall bear all the costs, charges and expenses in connection with the reconveyance of the land ad-measuring 30.71 acres, including stamp duty and registration charges;
- (iv) The balance of Rs 35 crores deposited by Priadarshni Foundations Pvt Ltd shall stand forfeited on account of its failure to complete the transaction and in terms of the earlier orders passed by this Court;
- (v) The MoU dated 14 December 2018, shall stand terminated; and
- (vi) The present management of Unitech Limited would be at liberty to deal with the lands and enter into any other suitable transaction in

accordance with law with the prior permission of this Court.

12 The Interlocutory Applications are accordingly disposed of.

13 Pending applications, if any, stand disposed of.

.....J.
[Dr Dhananjaya Y Chandrachud]

.....J.
[M R Shah]

New Delhi;
December 2, 2021
CKB

ITEM NO.301

COURT NO.4

SECTION XVII-A

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No.10856/2016

BHUPINDER SINGH

Appellant(s)

VERSUS

UNITECH LTD.

Respondent(s)

(With appln.(s) for IA No.58386/2021 - CLARIFICATION/DIRECTION and
IA No.105758/2021 - RECALLING THE COURT'S ORDER)

Date : 02-12-2021 These matters were called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE D.Y. CHANDRACHUD
HON'BLE MR. JUSTICE M.R. SHAH

Mr. Pawanshree Agrawal, AOR (A.C.)
Mr. Varun K. Chopra, Adv.

For Appellant(s)

Mr. Deepak Goel, AOR

For Respondent(s)

Ms. N. Venkataraman, ASG
Ms. Anubha Agrawal, AOR

Ms. Madhvi Divan, ASG
Mr. K.M. Nataraj, ASG
Mr. Shekhar Vyas, Adv.
Ms. Praveena Gautam, Adv.
Ms. Ruchi Kohli, Adv.
Mr. Siddhant Kohli, Adv.
Ms. Nidhi Khanna, Adv.
Mr. Santosh Kumar, Adv.
Mr. Sughosh Subramaniam, Adv.
Ms. Shradha Deshmukh, Adv.

Mr. Chinmayee Chandra, Adv.
Mr. Rajan Kumar Chourasia, Adv.

IA 58386/2021 &
IA 105758/2021

Mr. Abhishek Manu Singhvi, Sr. Adv.
Mr. P.R. Kovilan Poongkuntran, Adv.
Mrs. Geetha Kovilan, AOR
Mr. Amit Bhandari, Adv.
Mr. Arunab Choudhary, Adv.

**UPON hearing the counsel the Court made the following
O R D E R**

- 1 The interlocutory applications are disposed of in terms of the signed order.
- 2 Pending applications, if any, stand disposed of.

(CHETAN KUMAR)
A.R. -cum-P.S.

(SAROJ KUMARI GAUR)
Court Master

(Signed order is placed on the file)