

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

RECORD OF PROCEEDINGS

I.A.No.2 In CIVIL APPEAL NO(s). 2578 OF 2006

UBS AG

Appellant (s)

VERSUS

STATE BANK OF PATIALA

Respondent(s)

(For clarification and office report)

WITH I.A.No.1 In Civil Appeal NO. 2579 of 2006

(For clarification and office report)

I.A.No.1 In Civil Appeal NO. 2580 of 2006

(For clarification and office report)

Date: 04/08/2006 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE B.P. SINGH

HON'BLE MR. JUSTICE ALTAMAS KABIR

For Appellant(s)

Mr. Ashok H. Desai, Sr.Adv.

Mr. Ravinder Nath, Adv.

Mrs. Kum Kum Sen, Adv.

Mr. Diwakar Maheshwari, Adv.

For M/S Rajinder Narain & Co.,Adv.

For Respondent(s)

Mr. R.F.Nariman, Sr.Adv.

Ms. Bindi Dave, Adv.

Mr. Mahesh Agarwal, Adv.

Mr. Rishi Agrawala, Adv.

Mr. E.C. Agrawala, Adv.

Mr. Kunal Vanjani, Adv.

UPON hearing counsel the Court made the following

O R D E R

The applications are allowed in terms of the signed order.

(Sukhbir Paul Kaur)

(Vijay Dhawan)

Court Master

Court Master

(Signed Order is placed on the file)

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

I.A.NO. 2

IN

CIVIL APPEAL NO.2578 OF 2006

(s) UBS AG

..Appellant

Versus

t(s) State Bank of Patiala

..Respondent

With I.A.NO.1 In Civil Appeal No.2579 of 2006

I.A.No.1 In Civil Appeal No.2580 of 2006

O R D E R

This Court by its Judgment and Order of May 10, 2006 allowed the appeal and set aside the order of the High Court granting unconditional leave to

defend to the respondent Banks. However, the judgment is silent on the question as to whether conditional leave should be granted.

Having heard counsel for the parties, we are of the view that though the High Court was wrong in granting unconditional leave to defend, in the facts and circumstances of the case, the respondent may be permitted conditional leave to

defend the suit on the condition that it deposits the entire amount claimed in Court inclusive of interest calculated for the time being at the rate of 5.7% which shall be withdrawn by the appellant Bank after furnishing its own guarantee. We

accordingly, allow these applications.

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The respondent Banks are granted eight weeks time to make the deposits in the High Court.

So far as rate of interest is concerned, that is subject to the final decision in the suit. We request the Trial Court to dispose of the suit as early as possible, preferably within a period of eight months.

.....J.

(B.P.SINGH)

J.

.....

(ALTAMAS KABIR)

New Delhi,

August 4, 2006