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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO.3931 OF 2017
(Arising out of S.L.P.(C) NO. 11128 OF 2012)

IDBI BANK LIMITED Appellant(s)

Versus

JULOORI VEERESHALINGAM CHARITABLE TRUST AND
OTHERS Respondent(s)

O R D E R

1. Leave granted.

2. We have heard learned counsel for the parties.

3. This appeal by special leave is directed against the order dated 9.11.2011 passed by the High Court of Judicature Andhra Pradesh at Hyderabad in Civil Miscellaneous Appeal No. 77 of 2011. While dismissing the appeal, the High Court made the following observations in the impugned order at page 10:-

â- SNormally, this Court must stop, once it expresses its view on the legality or otherwise of the order under appeal. However, in the instant case, what is involved is the administration of a Trust.

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For all practical purposes, the present Trustees or most of them have hijacked it for their personal gain. Time has come to put a stop to their activities. In addition to dismissing the appeal and upholding the order of the trial Court appointing a Receiver, this Court directs that the Trust property is not at all be liable to be proceeded for recovery of any amounts that were borrowed by any of the Trustees and in particular, defendant Nos. 1,2, 4 and 5. Further, the builder shall be entitled to recover the amount given by him to defendant Nos. 1, 2, 4 and 5 without reference to the income or other proceeds from the constructed area that falls to the share of the Trust.â- \235

4. Learned counsel for the appellant is mainly objecting to the aforesaid observations made by the High Court in the impugned order.

5. The short question involved in this appeal is, whether it is proper for the High Court to go into the merits of the case and make observations, which are going to affect the rights of the appellant herein, which is a Bank. The allegations against the respondents-trustees, is that they have converted the trust property into private/personal property and mortgaged the property, after taking loans from the appellant-Bank. The trust properties cannot be used for the purpose of personal benefit. The High Court, by making the above observation in the impugned order,

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deprived the right of recovery of money, which is going to affect the Bank.

6. Taking into consideration the facts of the case, we are of the considered opinion that there was no occasion for the High Court to make such an observation, which is going to affect the recovery of the money of the Bank. Accordingly, the above observation stands expunged from the impugned judgment.

7. Under the circumstances, we direct the trial Court to expedite the hearing of O S No 558 of 2008 pending before the Ld Court of II Additional Chief Judge, City Civil Court, Hyderabad, without being influenced by any of the observations made by the High Court in the impugned order.

8. This appeal is, accordingly, disposed of.

.....J.
(N.V. RAMANA)

.....J.
(PRAFULLA C. PANT)

New Delhi,
March 06, 2017

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ITEM NO.28

COURT NO.11

SECTION XIIA

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

RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 11128/2012
(Arising out of impugned final judgment and order dated 09/11/2011
in CMA No. 77/2011 passed by the High Court Of A.P. At Hyderabad)
IDBI BANK LTD. Petitioner(s)

VERSUS

JULOORI VEERESHALINGAM CHARITABLE TRUST & ORS. Respondent(s)
(With interim relief and office report)

Date : 06/03/2017 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE N.V. RAMANA

HON'BLE MR. JUSTICE PRAFULLA C. PANT

For Petitioner(s)

Mr. V. Giri, Sr. Adv.

Mr. Sanjay Bhatt, Adv.

Mr. Rabin Majumder, Adv.

For Respondent(s)

Mr. V. Balachandran, Adv.

Mr. V. Ramasubramanian, Adv.

Mr. V. Balachandran, Adv.

Mr. A. Lakshminarayanan, Adv.

Mr. Siddharth Naidu, Adv.

For M/s Ksn & Co., Adv.

Mr. B. Adinarayana Rao, Sr. Adv.

Mr. S. Udaya Kumar Sagar, Adv.

Ms. Bina Madhavan, Adv.

Ms. Swati Bhardwaj, Adv.

Mr. Piyush Dwivedi, Adv.

For M/s. Lawyer S Knit & Co, Adv.

Ms. Tatini Basu, Adv.

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UPON hearing the counsel the Court made the following

O R D E R

Leave granted.

The appeal is disposed of in terms of the signed order.

[SUKHBIR PAUL KAUR] [S.S.R. KRISHNA]

A.R.-CUM-P.S.

ASSISTANT REGISTRAR

(Signed order is placed on the file)