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C.A.No. 7936 OF 2001
PART-HEARD
ITEM No.102

Court No. 9

SECTION XIIA

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

Civil Appeal No. 7936 of 2001

BANK OF INDIA Appellant (s)

VERSUS

V. SWAROOP REDDY Respondent (s)

(With appln.(s) for permission to submit addl. documents, prayer
for interim relief and office report)

Date : 14/10/2003 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SHIVARAJ V. PATIL
HON'BLE MR. JUSTICE D.M. DHARMADHIKARI

For Appellant (s)Mr. Altaf Ahmad,ASG.
Mr. Arun K. Sharma,Adv.
Ms. Vandana Sharma,Adv.
Mr. Nagendra Singh,Adv.
Mr. Vishwa Pal Singh,Adv.
Ms. Pratibha Jain,Adv.

For Respondent (s)Mr. P.S. Mishra,Sr.Adv.
Mr. R. Santhana Krishnan,Adv.
Mr. D. Mahesh Babu,Adv.

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

Heard the learned counsel for the parties from 10.40 a.m. to 11.05 a.m.

Permission to submit additional documents is allowed.

The civil appeal is disposed of.

Parties shall bear their own costs.

[T.I. Rajput][Shelly Sengupta]
Court Master Court Master

[Signed order is placed on the file]

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 7936 OF 2001

Bank of India ...Appellant(s)

Versus

V. Swaroop Reddy ...Respondent(s)

O R D E R

Having heard the learned counsel for the parties for some time, we wanted to ascertain from the parties whether the controversy could be resolved by an amicable settlement. During the course of the hearing today, the learned Additional Solicitor General, appearing on behalf of the appellant-Bank, submitted that, as per the policy of the Bank, there could maximum be twenty per cent increase in the rent for a block period of five years. In the instant case also, applying the same principle, twenty per cent increase would be given. The learned senior counsel for the respondent submitted that the enhanced amount at the rate of twenty per cent for every block period having remained with the appellant-Bank, it should pay interest on that amount as it realises from the borrowers on account of non-payment. He added that any reasonable amount of interest may be fixed by the court on the difference of the amount due from the appellant on the increased rate of twenty per cent for every block period.

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It is submitted on behalf of the parties that the initial lease period expired on 15th May, 1988. The first block period commenced from 16th May, 1988 and came to an end on 15th May, 1993. The second block period of five years commenced from 16th May, 1993 and came to an end on 15th May, 1998. It is also not disputed that the appellant-Bank surrendered the possession of the premises to the respondent some time in October, 1998. In view of what is stated above, we dispose of this appeal in the following terms:

The appellant-Bank shall pay the difference of the principal amount at the increased rate of twenty per cent along with interest at the rate of eighteen per cent per annum for the first block period as also for the second block period, mentioned above. The appellant-Bank shall also pay for the period between 15th May, 1998 till the possession of the premises was surrendered to the respondent in October, 1998 at the increased rate of twenty per cent on the principal amount that was payable on 15th May, 1998. The amount, afore-mentioned, shall be paid by the appellant-Bank to the respondent within a period of eight weeks from today. On payment of the amount indicated above, the bank guarantee furnished by the appellant-Bank shall stand discharged.

Parties shall bear their own costs.

.....J.
[SHIVARAJ V. PATIL]

.....J.
[D.M. DHARMADHIKARI]
New Delhi,
October 14, 2003.