

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(Civil)...7401/2000

(From the judgement and order dated 26/10/1999 in Complaint No. A365:UBI:07 dated 21.10.1998 of the Banking Ombudsman for State of Kerala and Lakshadweep)

UNION BANK OF INDIA

Petitioner (s)

VERSUS

THOMAS WILFRED

Respondent (s)

With I.A.1 (Appln. for c/delay in filing SLP)

Date : 24/11/2000 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE M. JAGANNADHA RAO
HON'BLE MR. JUSTICE K.G. BALAKRISHNAN

For Petitioner (s) Mr. K.K. Venugopal, Sr. Adv. with
Mr. O.P. Gaggar,Adv.

For Respondent (s)

UPON hearing counsel the Court made the following
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Delay condoned.
Issue notice.

There was a dispute between the petitioner-bank and the respondent Shri Thomas Wilfred who was a guarantor for a Company which owed money to the Bank. The bank adjusted certain amount belonging to the respondent guarantor, which it was holding. The dispute relates to the amount of interest payable to the respondent on its deposits in the Bank and also in ...2/-

regard to the interest chargeable against the liability which was guaranteed by the respondent. The matter was referred to the Bank Ombudsman. The Bank Ombudsman passed an order dated 26.10.1999 and awarded a sum of Rs.48,52,213/- payable to the respondent by the appellant Bank but also added another amount which roughly comes to about Rs.50 lacs towards NRNR F.D. rate as applicable on 31.3.1997. The award stated that the bank should pay Rs.48,52,213/- and the extra amount

which roughly coming to Rs.50 lacs and this would be in full and final settlement of the claims between the parties.

The Bank applied to the Reserve Bank of India for permission to challenge the award not only insofar as it related to the extra amount relating to NRNR F.D. rate of interest but also in regard to main amount of Rs.48,52,213/-. The Reserve Bank granted permission to the petitioner on 26.7.2000 to challenge the award for the entire amount.

In the meantime, the respondent - Thomas Wilfred, approached the High Court by way of writ petition and learned Single Judge passed an interim order in O.P. No.5896/2000 on 4.10.2000 treating Rs.48,52,213/- as an admitted amount and directed the bank to pay the same without imposing a condition that the admitted amount was to be paid only if it was in full and final
...3/-

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settlement. The learned Single Judge also observed that the bank has no valid reason to violate the award of the Ombudsman. The learned Single Judge also directed the bank to file an affidavit of compliance of the interim order.

The Bank's Writ Appeal No.2247/2000 has been since dismissed by a reasoned order on 13.10.2000 by a Division Bench.

The present Special Leave Petition preferred to this Court by the Bank challenges the award of the Ombudsman dated 26.10.1999 but not the orders of the High Court.

Learned Senior counsel Mr. K.K. Venugopal, appearing for the petitioner seeks time to amend the special leave petition by challenging the orders of the learned Single Judge as also the order of Division Bench of the High Court. Two weeks' time is granted for this purpose.

Meanwhile, the order of the learned Single Judge as also of the Division Bench shall remain stayed.

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(K.K. Chawla)
Court Master

(D.D. Jindal)
Court Master