

ITEM NO.301

COURT NO.8

SECTION XII-B

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 SCivil Appeal No. 3549/2012

UCO BANK

Appellant(s)

VERSUS

KRISHNA & ORS.

Respondent(s)

[PART-HEARD BY :- HON'BLE J.B. PARDIWALA AND HON'BLE SANDEEP MEHTA, JJ.]

Date : 08-10-2025 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE SANDEEP MEHTA

For Appellant(s) :

Mr. Debal Banerjee, Sr. Adv.
Ms. Meera Mathur, AOR

For Respondent(s) :

Mr. V. Giri, Sr. Adv.
Mr. T. V. Ratnam, AOR
Mr. T.v. Ratnam, Adv.
Mr. Rajendra Prasad Maurya, Adv.Dr. Menaka Guruswamy, Sr. Adv.
Mr. Ameet Kumar Deshpande, Sr. Adv.
Mr. Sharangouda Patil, Adv.
Mr. Yash S. Tiwari, Adv.
Mr. Shashwati Parhi, Adv.
Bhumika Yadav, Adv.
Mr. Jyotish Kumar Pandey, Adv.
For M/s. S-legal Associates, AORUPON hearing the counsel the Court made the following
O R D E R

1. This is a part-heard matter.
2. We have before us a Nationalized Bank with whom the property was mortgaged by the original Defendant No.1 and loan was obtained. As the original borrowers defaulted in the repayment of the loan, the mortgage was enforced by the Bank and the shops in question i.e. the mortgaged property was put to auction.
3. We also have the auction purchasers before us.

4. In all, twelve shops were sold in the auction. Out of twelve, five auction purchasers are here before us for six shops. It is not in dispute that they have paid the entire sale price to the Bank almost two decades back. However, the parody of the situation is that at no point of time, they could take over the possession. Even after the auction, the original borrowers continued to remain in physical possession and are deriving rent as on date from the shops. There are few questions of law which ultimately we may have to determine in so far as the rights of the parties are concerned. However, as a Court of law, we should not be oblivious of the fact that public money is involved in this litigation.

5. We take notice of the fact that the total liability towards the Bank at the relevant point of time in the year 2002 was around Rs.80,00,000/- (Rupees Eighty Lakh only). The Bank sought to recover Rs.90,00,000/- (Rupees Ninety Lakh only) and odd in the year 2004. However, ultimately, the Bank had to settle at around Rs.80,00,000/- (Rupees Eighty Lakh only) and of course plus Rs.36,00,000/- (Rupees Thirty Six Lakh only) which the Bank could recover from the auction purchasers.

6. Even during the course of the first hearing, we tried to impress upon the parties to sit, talk and try to resolve the entire dispute.

7. We still believe that the clients of Mr. V. Giri should take a step forward and try to resolve the entire dispute. We firmly believe that the Bank cannot be left in a lurch, keeping in mind that Bank has to safeguard the public money and at the same time, we should not allow the auction purchasers also to be left high and dry in this long drawn litigation.

8. In such circumstances, referred to above, we direct the parties to appear before the Supreme Court Mediation Centre for the purpose of getting the entire dispute resolved amicably and equitably.

9. We want to safeguard the interest of the Bank, the auction purchasers and at the same time even the interest whatever it may be of the original borrowers.

10. We request the Mediation Centre to appoint a Senior Mediator so as to bring around some amicable settlement between the parties.

11. We give one last chance to the parties to try to bring around some settlement failing which we shall proceed to hear this matter on merits on the questions of law which the bank as well as the auction purchasers have raised.

12. The parties shall appear before the Coordinator of the Supreme Court Mediation Centre on 29-10-2025 at 11.00 a.m.

13. We direct the Bank and the other parties to inform other auction purchasers also to appear before the Supreme Court Mediation Centre as their presence is necessary for the purpose of settlement of the entire dispute.

14. Post this matter for further hearing once the Mediation Report is received from the Mediation Centre.

(VISHAL ANAND)
ASTT. REGISTRAR-cum-PS

(POOJA SHARMA)
COURT MASTER (NSH)