

ITEM NO.106

COURT NO.3

SECTION IX

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 S

CIVIL APPEAL NO(S). 3445/2011

MAHARASHTRA STATE CO-OPERATIVE BANK LTD.

APPELLANT(S)

VERSUS

THE STATE OF MAHARASHTRA AND ORS.

RESPONDENT(S)

(AND IA NO.30132/2018-PERMISSION TO FILE ADDITIONAL DOCUMENTS AND  
IA NO.32614/2018-EXEMPTION FROM FILING O.T.)

Date : 05-04-2018 This appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RANJAN GOGOI  
HON'BLE MRS. JUSTICE R. BANUMATHI

For Appellant(s)

Mr. Vijay Hansaria, Sr. Adv.  
Mr. M. Y. Deshmukh, AOR  
Mr. Nand Kumar Deshmukh, Adv.  
Mr. Shakti Pandey, Adv.

For Respondent(s)

Dr. Kylasanatha Pillay, Sr. Adv.  
Mr. Kunal Cheema, Adv.  
Mr. Nishant Ramakantrao Katneshwarkar, AORUPON hearing the counsel the Court made the following  
O R D E R

We have perused the affidavit dated 6<sup>th</sup> March, 2018 filed on behalf of the State of Maharashtra pursuant to the order of this Court dated 15<sup>th</sup> February, 2017.

In Table 3 (Heading - Payable presently by Government) under paragraph 11 of the said

affidavit it has been admitted by the State that a total amount of Rs.74 crores is due and payable to the appellant-Maharashtra State Co-operative Bank Ltd (for short "the Bank"). In paragraph 12 of the said affidavit, it has been further stated that the said amount has been verified as payable by the Auditors appointed by the Government of Maharashtra.

In paragraph 17 of the same affidavit it is stated that in a meeting held on 14<sup>th</sup> February, 2018 under the Chairmanship of Hon'ble Minister (Co-operation) which was attended by the Additional Chief Secretary (Finance), Additional Chief Secretary (Cooperation) and representatives of the appellant-Bank it was decided that having regard to the complexity of the matter the parties have agreed: "to appoint a two member "Claims Committee" one having the experience of financial sector and the other having legal experience. This committee will examine the entire matter in a dispassionate, unbiased and fair manner and work out the due and payable amount to the bank

considering the legal and financial implications for both the sides.”

The aforesaid “Claims Committee”, it is mentioned, would submit its report within one month whereafter the recommendations will be considered by the “Government and Bank to arrive at due and payable amount in the matter at the earliest”.

The State has further mentioned in the aforesaid affidavit that a request will be made to this Court to adjourn the case for three months to enable the aforesaid exercise to be completed.

Upon hearing the learned counsels for the parties and upon due consideration of the statements made in the affidavit dated 6<sup>th</sup> March, 2018, as referred to above, we are of the view that as the parties have agreed to constitute a “Claims Committee” they ought to be permitted to do so. However, the Constitution of such Committee ought to be decided by this Court. Accordingly, we

request the Reserve Bank of India to nominate a person of wide experience in the financial sector to act as a Member of the Committee. We also request the Hon'ble Acting Chief Justice of the Bombay High Court to nominate a retired Judge of the Bombay High Court, with his consent, to be a Member of the aforesaid Committee. The names of the concerned persons will be communicated to the State Government within a period of four weeks from the date of receipt of a copy of this order. Thereafter the State Government will issue the necessary notification constituting the Claims Committee. The Committee will submit its report within one month from the date of its constitution whereafter the same will be considered in a meeting of the representatives of the Government and the Bank as agreed to by and between the parties. The outcome of the aforesaid process will be intimated to this Court within a period of three months.

The matter be listed again on 10<sup>th</sup> July, 2018 for further consideration.

The remuneration payable to the Members of the Committee appointed by the present Order will be determined by the State Government, the Bank and the persons nominated.

In the meantime, as an amount of Rs.74 crores has been admitted by the State to be due and payable the said amount be made available to the appellant-Bank within a period of four weeks from today. As and when the said amount is made available the appellant Bank may accept the same without prejudice to its rights.

[VINOD LAKHINA]  
AR-cum-PS

[ASHA SONI]  
BRANCH OFFICER