

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). 9253/2019
(Special Leave Petition (C) No(s). 14219/2016)

GUBBALA TULASI KUMAR & ANR.

APPELLANT(s)

VERSUS

BANK OF BARODA & ORS.

RESPONDENT(s)

O R D E R

Heard learned counsel for the parties.

Leave granted.

On 30.06.2016 when notice was issued it was ordered as follows:

“The only grievance of the petitioners is that they are entitled to get interest with regard to the amount so deposited as auction-purchasers, in view of the delay involved, and the High Court ought to have dealt with this aspect.

In view of that, issue notice only in respect of interest in question.”

The undisputed facts are that the bank/respondent auctioned the properties of Respondent nos. 2 to 5 who had taken a loan of Rs.8 crores from the bank. Proceedings under the SARFEASI Act, 2002 were initiated and auction took place in which the appellants were declared as the highest bidders and they deposited Rs.5,09,43,000/- with the bank. The borrowers later objected to the auction and the auction has

been set aside on the ground that the entire property could not have been auctioned in one go. The High Court has ordered refund of Rs.5,09,43,000/- but has not awarded any interest to the auction purchasers on the said amount. We do not understand why auction purchasers should suffer for the fault of the bank in auctioning the property in one go. Even otherwise, this amount which was deposited by the auction purchasers with the bank, remained with the bank. The bank is a commercial entity. If the bank keeps this amount in a non-interest bearing account that is the fault of the bank and the auction purchasers cannot suffer for the same.

Therefore, we allow the appeal and the auction purchasers shall be entitled to interest @ 9% per annum from the date of deposit of the amount i.e. Rs.5,09,43,000/- till the date the principal amount was paid by the bank to the appellants. The Bank is directed to pay this amount within six weeks from today to the auction purchasers.

.....J.
[DEEPAK GUPTA]

.....J.
[ANIRUDDHA BOSE]

NEW DELHI;
DECEMBER 06, 2019.

ITEM NO.38

COURT NO.14

SECTION XII-A

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

Petition(s) for Special Leave to Appeal (C) No(s). 14219/2016

(Arising out of impugned final judgment and order dated 22-12-2015 in WP No. 29158/2015 passed by the High Court Of Judicature At Hyderabad For The State Of Telangana And The State Of Andhra Pradesh)

GUBBALA TULASI KUMAR & ANR.

Petitioner(s)

VERSUS

BANK OF BARODA & ORS.

Respondent(s)

Date : 06-12-2019 This petition was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE DEEPAK GUPTA
HON'BLE MR. JUSTICE ANIRUDDHA BOSE

For Petitioner(s) Mr. T. V. Ratnam, AOR
Mr. M. S. Dev, Adv.

For Respondent(s) Ms. Praveena Gautam, AOR
Mr. Pawan Shukla, Adv.
Mr. Raja Ram, Adv.
Ms. Sweety Pandey, Adv.

Mr. Shaik Mohamad Haneef, Adv.
Mr. D. Mahesh Babu, AOR

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

Leave granted.

The appeal is allowed in terms of the signed order.

Pending application(s), if any, stands disposed of accordingly.

(ASHWANI THAKUR)
COURT MASTER (SH)

(PARVEEN KUMARI PASRICHA)
BRANCH OFFICER

(Signed order is placed on the file)