

**Court No. - 40**

**Case :-** WRIT - C No. - 4576 of 2025

**Petitioner :-** Saurabh Singh Chauhan

**Respondent :-** Bank Of Baroda, Regional Stressed Assets Recovery Branch And Another

**Counsel for Petitioner :-** Afzal Parvej, Arif Iqbal

**Counsel for Respondent :-** Ajal Krishna, Anadi Krishna Narayana

**Hon'ble Shekhar B. Saraf, J.**

**Hon'ble Dr. Yogendra Kumar Srivastava, J.**

1. Affidavit filed by the counsel appearing on behalf of the Bank in Court today be kept on record.
2. Heard counsel appearing on behalf of the parties.
3. Upon perusal of the affidavit filed today, it appears that by order dated March 24, 2025, the Bank has withdrawn the earlier order passed on September 24, 2024. Accordingly, the order passed by this Court on March 20, 2025 has been complied with.
4. From the facts of the case, it is clear that the petitioner is the auction purchaser and the property in question should be transferred to the auction purchaser. However, the Bank has transferred the property in favour of the borrower/respondent No.2.
5. The aforesaid action of the Bank, in the particular case, is clearly beyond the realm of law, arbitrary, whimsical, capricious and absolutely against the principles established in law. Having sold the property to the auction purchaser after having accepted the earnest money, the Bank could not have, in any manner, returned the property to the original borrower by entering into an one time scheme with the said borrower.
6. Counsel on behalf of the Bank has tendered his unqualified apology for the action of his client and the client has also tendered his apology by way of the personal affidavit. We are, however, of the view that the action of the Bank is required to be dealt with heavy hand and penalty should be imposed upon the Bank for the illegal and arbitrary action. The entire action of the Bank is *de hors* the principles laid down by the Supreme Court in the case of ***Celir LLP vs. Bafna Motors (Mumbai) Pvt. Ltd. and others*** reported in ***(2024)2 SCC 1***.

7. In light of the above, the Bank is now required to compensate and pay damages to the petitioner who is the auction purchaser. The Bank is, accordingly, directed to pay interest on the earnest money, that is, Rs.4,64,500/- at the rate of 24% per annum. This interest shall be payable from the date of acceptance of the earnest money till April 30, 2025. The Bank should come with the demand draft for the entire sum including the principal and the interest on the next date fixed.

8. List this matter as fresh on April 30, 2025.

**Order Date :- 9.4.2025**

Rakesh

(Dr. Y.K. Srivastava, J.) (Shekhar B. Saraf, J.)