IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-02-2026

CORAM

THE HON'BLE MR JUSTICE R. SURESH KUMAR

AND

THE HON'BLE MR.JUSTICE SHAMIM AHMED

WP No. 3362 of 2026

S.Vinoth

..Petitioner(s)

Vs

1. M/s.Repco Home Finance Limited,
   Corporate Office.3rd Floor, Alexander Square,
   New No. 2(Old No. 34 and 35) Sardar Patel Road,
   Guindy, Chennai -600 032.
2. M/s.Repco Home Finance Limited,
   Registered Office. Repco Tower, No. 33,
   North Usman Road, T.Nagar,
   Chennai -600 017.
3. M/s.Repco Home Finance Limited,
   One of Branch Office at
   No. 36,First Floor, Big Street,
   Tiruvannamalai -606 601.
4. A.M.Sathish Kumar
   S/o.K.A.Mani,
   No. 19,Peygopuram, 6th Street,
   Tiruvannamalai -606 601.

..Respondent(s)

Prayer:- Petition filed under Article 226 of the Constitution of India, seeking a writ of Mandamus directing the Respondents 1 to 3 to consider the Petitioner representation dated 03.03.2025(requesting them to Compensate the Petitioner for wrong as well as kept his Money in their account) and pass order within a stipulated time.

For Petitioner(s): Mr.P.Nethaji

For Respondent(s): Mr.A.Ilangovan, For R1 To R3
R4-notice Dispenced With

ORDER

(Order of the Court was made by R.Suresh Kumar J.)

The prayer sought for in this writ petition is to direct the Respondents 1 to 3 to consider the Petitioner's representation dated 03.03.2025 (requesting them to Compensate the Petitioner for wrong as well as kept his Money in their account) and pass order within a stipulated time.

2.Under SARFAESI proceedings, the respondent Bank, namely REPCO Home Finance Limited, had put a property up for sale through a public auction. The auction was scheduled for 24.02.2023, and the Earnest Money Deposit

(EMD) was fixed at Rs. 29,81,500/-, which was required to be paid before the auction date. The writ petitioner chose to participate in the auction and accordingly obtained a Demand Draft for the aforementioned amount of Rs. 29,81,500/-, which was paid to the Bank. The petitioner thereafter participated in the auction held on 24.02.2023.

3.Since the petitioner emerged as the successful bidder, the Bank directed him to pay the balance of the total sale consideration, amounting to Rs. 1,19,26,000/-. Consequently, the petitioner remitted the remaining amount of Rs. 89,44,500/- to the respondent Bank by way of RTGS transaction on 05.04.2023.

4.However, subsequently, the Bank cancelled the sale by its communication dated 12.04.2023 and thereafter refunded the entire amount paid by the petitioner to his account on 02.05.2023. Thus, the sale, which had been confirmed in favour of the writ petitioner, was cancelled, and the money, having remained with the Bank for over a month, was returned to the petitioner without any interest.

5.Therefore, the petitioner, on 03.03.2025, had given a representation seeking two reliefs. One, that the money which had been kept in the account of the Bank be paid back immediately with interest, and two, that the petitioner is entitled to get compensation because, for mobilizing the said money, he had to sell his property and thereby lost his immovable property, sustaining a hefty loss. Seeking these two reliefs, the writ petitioner gave a representation to the Bank on 03.03.2025. It was not considered by the respondent Bank. Therefore, seeking a mandamus to consider the representation, the petitioner has approached this Court with the present writ petition.

6.Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondent Bank. Since the 4th respondent is a borrower against whom no order is proposed to be passed, notice to the 4th respondent is dispensed with.

7.It is a fact that, under SARFAESI proceedings, the Bank had fixed the auction date for 24.02.2023. However, it appears that the borrower approached the Debt Recovery Tribunal one day prior, i.e., on 23.02.2023, and obtained an order of stay on the condition of paying a sum of Rs. 4 lakhs. The borrower is reported to have paid the said amount, and accordingly, the stay became effective.

8.Despite the stay having been granted, the sale proceeded by public auction on 24.02.2023. In this regard, Mr. A. Ilangovan, learned counsel appearing for the respondent Bank, stated that the Bank had no knowledge of the stay granted on the previous day, and therefore, the auction was conducted on 24.02.2023.

9.Be that as it may, due to lack of knowledge, the Bank may have conducted the auction, which took place on 24.02.2023. However, after a period of one and a half months, the petitioner was directed to pay the remaining amount, which he duly paid on 05.04.2023. Thus, the entire auction consideration of Rs. 1,19,26,000/- was paid. Only in order to mobilize this amount, the writ petitioner had to sell his immovable property.

10.After receipt of the full auction consideration, i.e., the first part on 23.02.2023 and the remaining part on 05.04.2023, the respondent Bank, only on 12.04.2023, decided to cancel the auction sale and sent a communication to that effect to the writ petitioner. The entire amount paid by the petitioner was subsequently returned to his account.

11.Only in this context, since the amount of Rs. 1,19,26,000/- had been kept in the Bank's account for more than a month, the interest on the same should have been calculated and paid by the Bank to the petitioner. This forms the first plea raised by the writ petitioner, while the second plea is for the grant of adequate compensation.

12. In this regard, although the representation was submitted on 03.03.2025, it has not been considered by the respondent Bank for whatever reason, which alone compelled the writ petitioner to file the present writ petition.

13.We have heard the learned counsel appearing for both sides and, after perusing the papers placed before us and analyzing the aforestated factual matrix, we are of the considered view that, insofar as the stay order granted on 23.02.2023 is concerned, it may not have reached the Bank on 24.02.2023, the date on which the auction was scheduled. Consequently, the auction might have been conducted mistakenly on 24.02.2023. Nevertheless, subsequently, the order of stay granted by the Debt Recovery Tribunal-II would have been brought to the notice of the Bank. Despite this, the full amount had already been received from the petitioner on 05.04.2023, and the Bank proceeded to cancel the sale only on 21.04.2023. Therefore, during this period, since such a hefty amount, i.e., more than Rs. 1,19,26,000/-, remained in the Bank's account, the petitioner is certainly entitled to interest, which the Bank must calculate and pay.

14.With regard to the compensation sought by the petitioner, whether any sustainable loss occurred to the petitioner or not, cannot be quantified by this Court in a writ proceeding. Therefore, it is open to the petitioner to adjudicate on the same seeking compensation before the appropriate forum in the manner known to law.

15.Insofar as the interest part is concerned, the Bank is liable to pay interest at the rate of 8% per annum. The Bank shall pay interest at the rate of 8% from the date of receipt of the money, i.e., the first part on 23.02.2023 and the second part on 05.04.2023, until the date the entire amount being paid by the Bank to the petitioner. The interest shall be calculated accordingly and the same shall be paid to the petitioner by the respondent Bank within two weeks from the date of receipt of a copy of this order.

16.So far as the compensation aspect is concerned, it is open to the petitioner to agitate the issue in the manner known to law.

17.With these directions, the writ petition is disposed of accordingly. However, there is no order as to costs.

(R.S.K.,J.) (S.S.A.,J.)

16-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

SHA/MSR

To

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