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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO(S).9895 OF 2016
(Arising out of SLP (C) No.309 of 2014)
AUTHORIZED OFFICER, SAMB,
STATE BANK OF INDIA & ANR ...APPELLANT(S)
VERSUS
RAJKUMAR AGARWAL ...RESPONDENT(S)

O R D E R

1. Leave granted.
2. Heard learned counsel for the parties and perused the relevant material.
3. The order of the High Court dated 06.12.2013 by which the appellant-State Bank of India has been directed to return the part deposit of the auction price along with interest thereon, is under challenge in the present proceedings.
4. The respondent-auction purchaser deposited one-fourth of the amount of Rs.64,00,000/- (Rupees sixty four lakhs only) which was the bid amount i.e. Rs.16,00,000/- (Rupees sixteen lakhs only) and

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thereafter defaulted in payment of the balance amount. In terms of clause-III of the terms of Auction Notice which is in conformity with Rule 9(5) of the Security Interest (Enforcement) Rules, 2002, the amount deposited was liable to be forfeited, which was so done by the Bank. If the forfeiture was in terms of the Auction Notice and in terms of the statutory Rules, we do not see how on the basis of an one time settlement, which also did not materialize, the Bank could have been directed by the High Court to return the forfeited amount to the extent of Rs.14,00,000/- (Rupees fourteen lakhs only) along with interest thereon. The order of the High Court, therefore, appears to be plainly erroneous and would require interference.

5. We accordingly, set aside the order of the High Court and allow the appeal.

.....,J.
(RANJAN GOGOI)

.....,J.
(PRAFULLA C. PANT)

NEW DELHI
SEPTEMBER 30, 2016

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ITEM NO.46 COURT NO.6 SECTION XIA
S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 309/2014
(Arising out of impugned final judgment and order dated 06/12/2013 in WPC No. 21503/2013 passed by the High Court of Orissa at Cuttack)

AUTHORIZED OFFICER, SAMB,
STATE BANK OF INDIA & ANR
Petitioner(s)
VERSUS

RAJKUMAR AGARWAL Respondent(s)
(with interim relief and office report)

Date : 30/09/2016 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE RANJAN GOGOI
HON'BLE MR. JUSTICE PRAFULLA C. PANT

For Petitioner(s) Mr. Rakesh Kumar Khanna, Sr. Adv.

Mr. Anil Kumar Sangal, Adv.

Mr. Siddharth Sangal, Adv.

Mr. Abhay Tayal, Adv.

For Respondent(s) Mr. L. Nidhiram Sharma, Adv.

Mr. Sanjeeb Panigrahi, Adv.

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.

(Neetu Khajuria)

Court Master (Asha Soni)

Court Master

(Signed order is placed on the file.)