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ORDER SHEET
IN THE HIGH COURT AT CALCUTTA
CIVIL APPELLATE JURISDICTION
ORIGINAL SIDE

APO/73/2025
WITH WPO/737/2025
IA NO: GA/2/2025
ALGOQUANT FINANCIALS LLP
VS
INDIAN BANK AND ORS

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
The Hon'ble JUSTICE AJAY KUMAR GUPTA
Date: 24th March, 2026.

Appearance:
Mr. Anuj Singh, Adv.
Mr. Shivam Chaturvedi, Adv.
Ms. Ritika Dey, Adv.
Mr. A.K. Upadhyay, Adv.
. . .for the appellant.

Mr. Shiv Mangal Singh, Adv.
…for respondent Indian Bank

Mr. Aniruddha Mitra, Sr.Adv.
Mr. B. Mukherjee, Adv.
…for auction purchaser

The Court: The appellant is aggrieved by the order dated September 19, 2025 passed in WPO 737 of 2025. By the order impugned the learned Single Judge did not grant the reliefs prayed for in the writ petition, upon holding that the petitioner had approached the Court long after the sale had been concluded in favour of the respondent no. 7/auction purchaser upon a successful auction being held on July 23, 2025 in respect of certain immovable property. The sale notice was published on June 16, 2025. The date of auction was fixed on July 23, 2025. The sale certificate was issued on August 5, 2025 and the writ petition was filed on September 16, 2025. These dates are referred to by us, in order to arrive at a finding that the learned Single Judge did not commit any error in holding that the writ petition was belated and the conduct of the appellant did not demonstrate a serious interest or desire to participate in the bidding process. It was found that the conduct was neither genuine nor bona fide one.

Mr. Singh, learned advocate for the appellant submits that the earnest money deposit was to be made in the e-wallet. The earnest money deposit was made and the amount was debited from the account of the appellant. However, the deposit of the money was not reflected in the e-wallet. 11 e-mails had been exchanged between the appellant and the service provider who held the auction (PSB). According to Mr. Singh, non-deposit of the amount in the e-wallet could not be attributed to the appellant. There may have been a glitch in the system or in the procedure followed by the respondents. Reliance has been placed on the decision of the Hon'ble Apex Court in the matter of Ram Kishun and Ors. vs. State of Uttar Pradesh and Ors. reported in (2012) 11 Supreme Court Cases 511, in support of the contention that, if there is a procedural irregularity or if the properties are sold at very low price, then the writ court can intervene and pass necessary orders, thereby, cancelling or setting aside the sale. He takes us through the resolution plan. The appellant is the successful resolution applicant of the factory and the assets including some land of the corporate debtor. Mr. Singh submits that a part of the land which was covered by the resolution plan was also sold in the auction, which was contrary to the provisions of IBC. The same land had come into possession of the resolution applicant/appellant and could not be sold again at the e-auction. He relies on the relevant portions of the resolution plan in support of such contention.

It is next submitted that onus was upon the respondent bank and the service provider, PSB, who held the auction to show that the mistake was on the part of the appellant, and on account of such mistake the money was credited to an incorrect account and not to the e-wallet. Reference is made to the e-mails at pages 121 and 123 of the stay petition in support of such contention. Learned advocate for the bank submits that it is an admitted case that the money was not deposited in the e-wallet of the appellant. Until the money was deposited in the e-wallet, the PSB, which held e-auction could not allow the appellant to participate in the auction in accordance with the terms and conditions of the auction.

Mr. Aniruddha Mitra, learned senior advocate for the auction purchaser submits that the land as mentioned in the e-auction notice and in the resolution plan were not identical. The plan indicates that the said land was granted to the corporate debtor on lease and the lease had expired. That the resolution applicant was to take steps for renewal of the lease as per the plan. Secondly, he draws the attention of the Court to the fact that the land mentioned in the resolution plan was a scattered land which was leased to the corporate debtor. This would appear from the order of NCLT. The land which was auctioned belonged to private individuals namely the guarantors of the corporate debtors. It appears from the e-mails that the appellant was conscious that the money had not reached the e-wallet and was transferred to one account of PSB Alliance Private Limited (RAZORPAAY) having beneficiary Account Number : 100012910553 whereas the e-wallet Account Number was : PSBA01000029516.

Admittedly, several e-mails had been exchanged between the parties and the appellant had continuously requested PSB to transfer the money which was debited from the bank account of the petitioner to the e-wallet. The position remains that the money was not sent to the e-wallet but to another beneficiary account.

It is the specific case of the bank and the auction purchaser that the money was transferred to the wrong account. It appears from the e-mails that the appellant had requested PSB Alliance Private Limited to look into the matter on urgent basis and ensure that the amount would be credited to the e-wallet before 5 P.M. of July 22, 2023, as the fund would be required for submission of the bid. From the documents before us we are unable to hold that any fraud or procedural irregularity had been committed either by the bank or by PSB Alliance. The allegation that there was nexus with the auction purchaser has not been established from the document annexed. Once the sale certificate had been issued and the third party rights had been created, the writ court, which is a court of equity, could not have delved deeper into the issue but had rightly balanced the equity. The auction purchaser had purchased the property upon payment of Rs. 5.8 crores approximately. Forty days after the sale certificate had been issued, the writ petition was filed.

We have considered the averments in the writ petition and we find that in paragraph 8 thereof, the modus operandi to be followed by the respondent no. 8, i.e. auction service provider to conduct the auction has been reproduced by the appellant as follows :-

> "i. Any participating bidder has to deposit the earnest money deposit (hereinafter referred to as the said EMD) by creating a wallet which is created after Registration and e-KYC with the Respondent no. 8.
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> ii The respondent no. 8 after receiving the EMD gives balance in the e-wallet which reflects the amount of EMD that is deposited by the interested bidder.
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> iii Once the EMD deposited by the bidder is made the wallet will disclose the amount deposited.
>
> iv It is thereafter that the bidder can search property by property id that enables the bidder to enter the auction room and offer bids."

It states that any participating bidder has to deposit the earnest money deposit by creating a wallet which was to be created after registration and e-KYC with the respondent no. 8. We do not find that the said procedure as mentioned above was complied with by the appellant. The appellant is silent about the compliance of this procedure and puts the blame on PSB for not remitting the money from the account to which it was sent to the e-wallet of the appellant.

Under such circumstances, although the money may have been debited from the account of the appellant, the money was not credited or deposited in the e-wallet as was required under the terms and conditions of the auction. Under such circumstances, we are not inclined to interfere with the order of Her Lordship. The writ petition was clearly filed after 40 days from the issuance of sale certificate. Only a day before the e-auction the appellant decided to participate in the bidding process. The decision of Ram Kishun (supra) does not apply to the facts of this case, inasmuch as, the Hon'ble Apex Court had held that, in the event it was found that there was gross procedural irregularity in the auction or that the property was sold at a throwaway price the sale should be set aside. We do not find that there was any apparent irregularity in the conduct of sale or that the property had been sold at a low price. Fraud has neither been pleaded nor proved. Under such circumstances, no interference of the order impugned is called for. The appeal is dismissed.

However the right of the appellant to challenge the said sale before the appropriate forum in accordance with law, is not extinguished by this order.

(SHAMPA SARKAR, J.)

(AJAY KUMAR GUPTA, J.)

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