(2026) 08 CAL CK 1163

In the Calcutta High Court, Original Side

Case No : W.P.O. No. 360 of 2026

Vardan Securities Private Limited & Anr. APPELLANT

Vs

Reserve Bank of India & Ors. RESPONDENT

Date of Decision : 04-08-2026

Acts Referred:

Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 — Clause 65
Constitution of India — Article 12, 226
Banking Regulation Act, 1949

Citation : (2026) 08 CAL CK 1163

Hon'ble Judges : Krishna Rao, J

Bench : Single Bench

Advocate : Mr. Jaydip Kar, Sr. Adv., Mr. D. N. Sharma, Sr. Adv., Mr. S. Dasgupta, Adv., Mr. A. Modi, Adv. For the petitioners. Mr. Utpal Bose, Sr. Adv., Mr. Sidhartha Chatterjee, Adv., Mr. M. Seal, Adv. For the respondent no. 2.

Final Decision : Disposed Of

Judgement

Krishna Rao, J.:

1. The petitioners have filed the present writ petition praying for a mandamus upon the respondents to quash or cancel and to declare void the invitation of Expression of Interest for participation in the sale of stressed loan of Ideal Real Estates Pvt. Ltd., Ideal Unique Realtors Pvt. Ltd. and Ideal Aurum Nirman LLP (hereinafter referred to as “Ideal Group”), dated 16thJune, 2026 of the bank over and above the identified base reserve price of Rs.245 crore in terms of the extent guidelines of Reserve Bank of India under Swiss Challenge Auction Method.

2. The selection methodology adopted by the respondent No.3 for sale of the loan assets of the Ideal Group that a two-stage process was chosen, whereby and whereunder initially a base bidder will be identified, who will be H1 and this base bidder then shall be required to again participate in the second stage subsequent auction process to ultimately become eligible to acquire the loan

assets of the Ideal Group.

3. In terms of Swiss Challenge Method, the base bidder who would be identified in the first stage of the bidding is entitled to get an opportunity at the second stage of bidding to match the bids received from the other participating bidders for being considered for final selection as the final bidder and will be declared as the successful bidder. The petitioners have participated in the said bid for the loan assets which was put for sale being the stressed assets of the Ideal Group.

4. As per the bid document, the date of EOI invitation is 16th June, 2026.

Submission of signed EOI, signed and duly stamped NDA and other supporting documents, as provided in the bid documents or as may be required by the bank, by the interested bidders is 24thJune, 2026. The bank may provide access to the data room to the EOI participant after confirming receipt of the signed EOI, signed and duly stamped NDA and other supporting documents by the EOI due date to the satisfaction of the bank is 25thJune, 2026, last date of submission of query is 6th July, 2026, Completion of Due Diligence is 7thJuly, 2026 and submission of selection bid along with the initial EMD by the EOI Participant/ Permitted Transferee is 10th July, 2026.

5. The petitioners have submitted EOI along with Non-Disclosure Agreement on 24th June, 2026 at 17.19 hours. On 29thJune, 2026 at 3.30 pm, the respondent No.3 by an e-mail informed the petitioners that the respondents will not be moving ahead with the bid document submitted by the petitioners. On 29thJune, 2026, the petitioners have sent an email to the respondents, clarifying the respondents that the required document, namely, EOI, Board Resolution and NDA have been submitted via e-mail on 24thJune, 2026 which was within the stipulated deadline mentioned in the bid document.

6. It was informed by the petitioners to the respondents that the hard copies of the documents were delivered subsequently and the delay pertains only to their physical receipt since the soft copies were submitted within the prescribed timeline. By an e-mail dated 30thJune, 2026, the respondent bank had informed the petitioners that the EOI will not be moving ahead with the bid document submitted by the petitioners. On 1stJuly, 2026, the respondent bank by an email informed the petitioners that in the attached EOI, the bank account details are not specified and requested the petitioners to rectify the same at the earliest.

7. On 1stJuly, 2026, in reply to the said e-mail, the petitioners have informed the bank that the petitioners are not directly or indirectly related to the Yes Bank Limited. On 1stJuly, 2026, at 17.05 pm, the petitioners sent the updated EOI and requested the bank to consider their application as the eligible bidder. On 2nd July, 2026, the petitioners have shared the audit financial details of the financial years 2023, 2024 and 2025.

8. On 2ndJuly, 2026, by an e-mail at about 1.21 pm, the bank requested the petitioners to share the audit financial for the years 2023, 2024 and 2025. On

receipt of the said email, the petitioners have submitted the details of the audit report to the bank on 2nd July, 2026 at 4.20 pm. The bank by an e-mail dated 2 ndJuly, 2026 at 4.25 pm has requested the petitioners to provide the source of funds for undertaking the transactions.

9. On 2ndJuly 2026, the petitioners have informed the bank that Vardan Securities Private Limited is an RBI registered Non-Banking Financial Company (NBFC) and is eligible to submit the bid. Vardan Securities Private Limited is also a part of Algoquant Group of profile of Algoquant Group. In the said e-mail, it was further informed that the entity, namely, Algoquant Fintech Ltd. having the market share of Rs. 1,650 crores, apart of this, its parent entity Algoquant Financials LLP having good financial standing. On receipt of the said information by the bank from the petitioners, the bank has requested the petitioners to provide the details of two personnel to whom VDR access is to be provided. The petitioners have provided the name of three personnel by an email dated 3rd July, 2026.

10. The bank has informed the petitioners that the use of VDR is restricted only to two personnel and to provide the details of only two personals to whom VDR access to be provided. Accordingly, the petitioners have forwarded the name of two personnel to whom the VDR access to be provided by the bank. On 6thJuly, 2026, the petitioners have received access to the VDR.

11. The petitioners have informed the bank that the amount of data shared is quite large and it is not possible to review all documents and complete the due diligence in just one day and requested to extend the time to complete the verification of the document through VDR. On 9thJuly, 2026, the petitioners again made a request to the bank for extension for submission of queries and explained the reason for the extension of time. In the meantime, on 10thJuly, 2026, at 12:00 A.M., the bank has uploaded further documents.

12. On review of the said documents, on 10thJuly, 2026, the petitioners have sent several queries to the bank. Though the petitioners have made several requests for extension of time and also made queries, but the bank has not extended the time.

13. Mr. Jaydip Kar, Learned Senior Advocate, representing the petitioners, submitted that as per the timeline fixed in the bid document, the bank is required to provide access to the data room to the EOI participants on 25thJune, 2026 and the submission of queries is 6thJuly, 2026 and completion of due diligence is 7thJuly, 2026. In the case of the petitioners, the bank has given the access to the VDR only on 6thJuly, 2026. Immediately the petitioners have made request to the bank for extension of time for review of document as the other firms who have participated in the EOI have got time from 25thJune, 2026 to 7thJuly, 2026 but the petitioners have got only one day time for review of the documents through VDR.

14. Mr. Jaydip Kar, learned Senior Advocate, further submitted that in spite of

several requests made by the petitioners, the respondent authorities have not extended the time for review of the document through VDR. Though, on 10th July, 2026 at 12:00 A.M., the bank has uploaded the further documents, but as per the schedule, the completion of due diligence was on 7th July, 2026.

15. Mr. Jaydip Kar, learned Senior Advocate, further submitted that, with regard to the said property, there was an interim order passed by the Learned Commercial Court at Alipore in T.S (Com) No.11 of 2026 on and from 8thJuly, 2026 till 23rdJuly, 2026. Thus, the bank ought not to have concluded the EOI process in the first stage of the bid process and ought to have extended time for review of documents. He further submits that as per the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 as per clause 65, the transferor(s) must provide adequate time for due diligence by prospective acquirers which may vary as per the size of the loan. By referring the said clause, Mr. Kar submits that the bank without extending the time for review of the documents through VDR have violated the guidelines. Mr. Kar further relied upon the disclaimer clause of the bid documents, wherein it is mentioned that the base bid process itself does not create any right whatsoever in favour of the base bidder. By referring the said provision, the Learned Counsel for the petitioners submits that the respondent bank have completed the base price and completed the first stage without giving any opportunity to the petitioners to review of the documents by extending the time and as such the proposed bidder who was declared by the bank as H-1 bidder cannot be treated that it has acquired any right in the said bid.

16. Mr. Jaydip Kar, Learned Senior Advocate appearing for the petitioners by referring the invitation for expression of interest for sale of stressed loan exposure through auction under Swiss Challenge Method submits that the H1 bidder has quoted Rs. 245.01 crores which is only Rs.1,00,000/- extra than the base price fixed by the bank and thus the bank has not given proper opportunity to the participants to compete the said bid.

17. Mr. Utpal Bose, Learned Senior Advocate appearing for the respondent bank submits that the writ petition filed by the petitioners is not maintainable. He submits that the dispute between the petitioners and the bank is private in nature and as such the writ petition is liable to be dismissed. He further submits that the writ petition is liable to be dismissed for non-joinder of parties.

18. Mr. Bose submits that as per the first stage of the bid process, one person has been selected as H-1 bidder and he has acquired right and the other bidders who have also participated in the bid process, are also having the right to participate in the second stage but the petitioners have not made any of the bidders including the H-1 bidder as party respondent in the present writ petition, thus the writ petition is suffers from non-joinder of parties.

19. Mr. Bose submits that as per the tender document, the petitioners have to submit its tender bid document by 24thJune, 2026 at 5 p.m. but the petitioners

have submitted the bid document at 5.19 p.m. that is after the time prescribed in the tender notice. He further submits that the petitioners have not disclosed several documents even the financial condition of the petitioners and only after making query by the respondent bank, the petitioners have submitted the said document.

20. Mr. Bose submits that there is no delay and latches on the part of the respondent bank. The delay was caused due to the latches on the part of the petitioners.

21. He submits that firstly, the petitioners have submitted the bid document at 5.19 p.m. that is after the period prescribed in the tender notice. Secondly, he has not submitted the financial document. Thirdly, when the bank has requested to provide the name of two persons who can access the VDR room, the petitioners have provided three names and subsequently, again as per the request made by the bank, the petitioners have provided the name of two persons and thus when all the formalities have been completed, the petitioners were given access to the VDR room on 6thJuly, 2026, thus question of extending time does not arose as there is no delay on the part of the petitioners.

22. Mr. Bose submits that as per the bid document, the completion of due diligence was on 7thJuly, 2026, but the petitioners have not submitted, completed and as such, the respondent bank has not processed the bid document of the petitioners for further.

23. Mr. Bose submits that the petitioners himself is a guilty for non-submission of the bid document in proper time and only on the request of the bank, the petitioners have submitted the document. Now, the petitioners cannot take the benefit of his own fault by praying for extension of time for review of the documents through VDR. Mr. Bose submitted that the petitioners are not the only bidder who has participated in the said tender. Along with the petitioners, there are altogether 10 bidders have participated and none of the bidders have raised any objection or made any allegations that proper time for review of the documents through VDR was not provided. Only the petitioners who have raised the objection, though the delay is caused due to their fault as the petitioners have not submitted all the documents in terms of the bid conditions in time.

24. Mr. Bose has relied upon the judgment in the case of ***Federal Bank Limited versus Sagar Thomas and Others*** reported in **(2003) 10 SCC 733** and submits that a private company carrying on banking business as a scheduled bank, cannot be termed as an institution or a company carrying on any statutory or public duty.

25. He has further relied upon, the judgment in the case of ***Binny Limited and Another versus V. Sadasivan and Others*** reported in ***(2005) 6 SCC 657*** and submits that a writ of mandamus can be issued against a private body which is not "State", within the meaning of Article 12 of the Constitution of India and such body is amenable to the jurisdiction under Article 226 of the Constitution of India

and the High Court under Article 226 of the constitution of India can exercise judicial review of the action challenged by the party, but there must be a public law element and it cannot be exercised to enforce purely private contracts entered into between the parties.

26. Mr. Bose has relied upon the judgment in the case of ***National Highways Authority of India versus Gwalior-Jhansi Expressway Limited*** reported in (***2018) 8 SCC 243*** and submits that if the bidder had not participated, in law, the offer submitted by the eligible bidders is required to be considered on the basis of the stated terms and conditions. The objective of the tender process is not only to adhere to a transparent mechanism, but to encourage competition and give equal opportunity to all tenderers with the end result of getting a fair offer or value for money.

27. Mr. Bose relied upon the judgment in the case of ***Prabodh Verma and Others versus State of Uttar Pradesh and Others*** reported in ***(1984) 4 SCC 251*** and submits that without the person who would be vitally affected by its judgment being before it as respondents or at least by some of them being before it as respondents in the representative capacity, if their number is too large to join them as respondents individually and if the petitioners refused to join them, the High Court ought to dismiss the writ petition for non-joinder of necessary parties.

28. He relied upon the judgment in the case of ***Valji Khimji and Company versus Official Liquidator of Hindustan Nitro Product (Gujarat) Limited and Others*** reported in ***(2008) 9 SCC 299*** and submits that entertaining objections after the sale is confirmed should not ordinarily be allowed except on very limited grounds like fraud, otherwise no auction sale will ever be completed.

29. Heard the Learned Counsel for the respective parties, perused the materials on record and the judgments relied by the respondents.

30. As per the tender document, the submission of signed EOI, signed and duly stamped NDA and other supporting documents as provided in bid documents or as may be required by the bank, by the interested bidders is 24thJune, 2026. In the bid document, there is no time as prescribed but in the tender notice, the submission of bid document is 24th June, 2026 at 5.00pm.

31. Admittedly, the petitioners have submitted the bid documents for selection of base bid on 24thJune, 2026 at 05.19 hours that is after 19 minutes as fixed by the authorities for submission of bid document.

32. By an e-mail dated 29thJune, 2026 at 15.30 hours, the bank has informed that the EOI, Board Resolution and NDA were received post the deadline provided in the bid document that is on 24thJune, 2026 and thus the bank shall not move ahead with the bid submitted by the petitioners.

33. The petitioners have sent reply to the said e-mail on the same date at 15.46 hours by informing the bank that the EOI, Board Resolution and NDA were

submitted by an e-mail on 24thJune, 2026, which was within the stipulated deadline mentioned in the bid document. The petitioner informed the bank that the hardcopies of the documents were delivered, subsequently and the delay pertains only to their physical receipt, since the soft copies were submitted within the prescribed timeline and requested the bank to consider the submission made by the petitioners. On receipt of the request of the petitioners, the bank directed the petitioners to share the e-mail, the petitioners have sent the e-mail along with all documents.

34. On receipt of all the documents, the bank has informed the petitioners that account details are not specified and requested the petitioners to rectify the same at the earliest. On receipt of the said e-mail, the petitioners by an e-mail dated 1stJuly, 2026 informed the respondents that the petitioners are not directly or indirectly related to the Yes Bank Ltd. and requested the bank to consider the application submitted by the petitioners as eligible bidder. In between, the petitioners and the bank, several correspondences were made with regard to the bid document, financial audit report and furnishing the name of the persons to access the VDR room. On 25thJuly, 2026, the bank has taken the decision that despite of the aforesaid delay in submission of the bid document by the petitioners, the bank, at its sole discretion, decided to permit the petitioners to participate in the Base Bid process, subject to compliance with the prescribed documentary requirements to the satisfaction of the bank.

35. This Court finds that though the petitioners delayed in submitting the bid document but the bank has condoned the same and accepted the bid document submitted by the petitioners including the Financial Audit Report of 2023, 2024 and 2025. As per the bid document, the completion of due diligence is to be completed by 7th July, 2026.

36. The petitioners have given access to the VDR on 6thJuly, 2026. The petitioners only had 24 hours to review the documents through VDR. Accordingly, the petitioners have made request for extension of time, but the respondent bank has not extended the time.

37. On the other hand, on 10thJuly, 2026, the bank has further uploaded the documents. This Court failed to appreciate that once the bank has taken the stand that the completion of due diligence was completed on 7thJuly, 2026, under what circumstances the bank has uploaded further document on 10thJuly, 2026 at 12:00 a.m. Though the submission of selection bid along with the initial EMD by the EOI Participants/Permitted Transferee was on 10thJuly, 2026. As per the Master Directions, 2025, issued by the Reserve Bank of India, dated 28th November, 2025, the transferor(s), must provide adequate time to due diligence by prospective acquirers, which may vary as per the size of the loan. In the case of the petitioners, the bank has given access to VDR to the petitioners only on 6th July, 2026 but as per bid document access of data room to EOI participants was available from 25th June, 2026 till 7thJuly, 2026 but the petitioners got only one day.

38. As per the bid document, the base reserve price was Rs.245 crore. The respondent bank accepted the bid price of H-1 is at Rs.245.01 crore which is as Rs.1,00,000/- extra than actual bid price. The petitioners were given access for review of the documents through VDR, on 6thJuly, 2026 and as per the tender document, the completion of the due diligence was on 7th July, 2026.

39. The other tenderers got the time from 25th June, 2026 till 7thJuly 2026, that is about 12 days but the petitioners have got only 1 day. The petitioners have made request for extension of time for verification of document through VDR as the volume of documents was large and the petitioners have to review the documents very carefully but the respondent authorities have not granted extension for review the document through VDR. The contention of the respondent that the delay was caused for complete the bid document on the part of the petitioners but the said delay was allowed by the respondent bank to the petitioners by accepting the document submitted by the petitioners.

40. Initially, the petitioners have submitted the bid document at 5.19 pm on 24th June, 2026 that is after 19 minutes of the time prescribed in the tender notice and by an e-mail dated 29thJune, 2026, the bank has informed the petitioners that the bank is not moving ahead with regard to the bid submitted by the petitioners. In spite of the said information, the bank has allowed the petitioners to rectify the defects in the bid document by submitting various document including financial audit. Once the bank has taken a conscious decision by allowing the petitioners to participate in the bid process, without any further terms and conditions, the bank ought to have given proper opportunity to the petitioners for review of the documents. It is not the case of the bank that in spite of giving an opportunity to the petitioners for review of the documents of the bank through VDR, the petitioners have not conducted the review. The bank has only given one day time to the petitioners and subsequently on 10thJuly, 2026, have uploaded further documents i.e. after completion of time to review the documents through VDR.

41. As per the tender document the completion of the due diligence was on 7th July, 2026, but the bank has uploaded further document on 10thJuly, 2026 which created a further doubt in the mind of the Court, that if the last date for completion of due diligence on 7thJuly, 2026, how the bank has uploaded further documents on 10thJuly, 2026. If the bank has uploaded the further documents on 10thJuly, 2026, the bank ought to have given further time to the petitioners for review of the documents through VDR. As per Clause 65 of the Master Directions, 2025 the transferor(s) must provide adequate time for due diligence by prospective, which may vary as per the size of the loan but in the case of the petitioners, the bank has violated the Master Directions by not providing adequate time for due diligence to the petitioners.

42. As regards, the maintainability of the writ petition, that the dispute between the petitioners and the bank is private in nature, but this Court finds that the tender notice is with respect to the bid document which is for selection of base

bid in relation to sale of loan assets (Ideal Group).

43. The respondent no.3 is a scheduled bank governed by the Banking Regulation Act, 1949 and is bound to comply with the Master Circulars, Master Directions and the Guidelines issued by the Reserve Bank of India from time to time.

44. In the present case, the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 is applicable.

45. As per clause 65 of the said Master Direction *"the transferor(s) must provide adequate time for due diligence for prospective acquirers, which may vary as per the size of the loan"*. In the case in hand the base price is Rs.245/- crore and the petitioners were given access to the VDR only on 6thJuly, 2026 and the completion of due diligence was on 7thJuly, 2026. Immediately the petitioners have informed that due to the voluminous documents, the petitioner is not in a position to complete the verification but the respondent authorities have not extended the time and on the other hand, the respondent authorities have uploaded further documents on 10th July, 2026.

46. In the case of ***Binny Ltd. (Supra)*** the Hon'ble Supreme Court held that a writ of mandamus can be issued against a private body which is not "State" within the meaning of Article 12 of the Constitution of India and such body is amenable to the jurisdiction under Article 226 of the Constitution of India and the High Court under Article 226 of the Constitution of India can exercise judicial review of the auction challenged by a party. But there must be a public law element and it cannot be exercised to enforce purely private contracts entered into between the parties.

47. Considering the above, this Court finds that the respondent bank has not complied with the Master Direction by giving the proper opportunity to the petitioners, by extending the time for verification of the documents through VDR and have violated Clause 65 of the Directions, 2025. Thus the writ petition is maintainable.

48. As regard to the non-joinder of parties, in the disclaimer portion of the bid document it is recorded that the base bid process itself does not create any right whatsoever in favour of Base Bidder/EOI participants to acquire the loan assets.

49. The bank has the right to modify or cancel or withdraw or suspend (temporarily or permanently) the base bid process with or without assigning any reason and without any liability at any stage including after receipt of the selection base or finalization of the base bid as the case may be.

50. In the present case, though the respondents have selected one bidder as H-1, who has only quoted Rs.1,00,000/-(one lakh only) extra than the base price, but as per the disclaimer the said bidder does not acquire any right. If any person has not acquired any right, on the basis of Base Bid process, thus it cannot be said that the successful bidder or the other bidders who have

participated in the tender process acquired any right.

51. The stand taken by the bank that the writ petition suffers from non-joinder of parties cannot stand. The respondent bank has further taken the stand that though the petitioners were not selected in the Base Bid process, but the petitioners can participate in the second stage of bid process.

52. This Court finds that in the second stage of process, the bidder who has not selected at the first stage of Base Bid process is entitled to participate in the second stage but, he will get only one opportunity to place his bid price, but the first bidder who was selected in the Base Bid process will get further opportunity to bid his price higher than the bidder who has quoted the rate in the second bid process.

53. The judgments relied by the petitioners are a settled position of law declared by the Hon'ble Supreme Court but every judgment has its own facts. The facts of the present case is distinguishable from the facts of the cases relied by the petitioners.

54. Considering the above, this Court find that, though the petitioners have submitted the bid at 19 minutes delay and the respondents have initially has taken a decision not to move ahead with the bid of the petitioners, but subsequently, the respondent bank has allowed the petitioners to continue with the bid process by submitting documents and to rectify the defects in the bid documents. It is also admitted that the bank has allowed the petitioners for review of the documents through VDR only on 6thJuly, 2026 and the last date for completion of the due diligence was 7thJuly, 2026 and it was not possible for the petitioners to complete the verification within 24 hours as the documents which were required to be reviewed were voluminous.

55. The Master Direction, 2025 also provided that the transferor(s) must provide adequate time for due diligence by prospective acquirers, which may vary as per the size of the loan but the respondent bank has not followed the said Master Direction.

56. Considering the above, this Court finds that the respondent bank has not given the proper opportunity to the petitioners for due diligence of the document through the VDR and without giving any opportunity of hearing to the petitioners, the bank has processed the bid document of the other bidders and selected one of the bidder as H-1, who has only quoted Rs.1,00,000/-(One lakh) extra than the base price.

57. Considering the above, this Court finds is of the view that the petitioners should get one opportunity to properly review the documents of the bank through VDR and to participate in the Base Bid process.

58. In view of the above, the respondent bank is directed to extend the time, for due diligence of the documents through the VDR by the petitioners for a further period of 4 days, that is from 6th August, 2026 to 9thAugust, 2026 and after

completion of due diligence by the petitioners through VDR, the respondent bank shall process the first stage of Base Bid process by allowing the petitioners to participate in the first stage of the Base Bid process along with other bidders.

59. **WPO No. 360 of 2026** is **disposed of**.

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

LATER:-

Learned Counsel for the respondent No.3/bank has prayed for the stay of operation of the order.

Learned Counsel for the petitioners have raised objection.

Considered the submissions made by the Counsel for the parties, prayer for stay is refused.