IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. OF 2026
(Arising out of SLP(C) NOS. 18907-18908/2026)

M/S KALINDI ASSOCIATES **Appellant(s)**

VERSUS

M/S BHARAT COMMERCE AND INDUSTRIES LIMITED & ORS. **Respondent(s)**

O R D E R

Leave granted.

2. Being aggrieved by the order dated 23.04.2026 passed in Company Appeal No.12 of 2026 as well as the order dated 11.05.2026 passed in Review Petition No.954/2026, by the Division Bench of the Madhya Pradesh High Court at Indore the appellant is before this Court.

3. Briefly stated, the facts of the case are that respondent No.1 herein, namely M/s Bharat Commerce and Industries Limited underwent liquidation. Pursuant thereto, an e-auction was conducted in respect of Plot Nos. 45-A & B, 47,48, 51, 52, 54 & 55 situated at Industrial Area, Town No.2, Rajpura, Punjab admeasuring approximately 2,40,500 sq. ft on 29.01.2025, wherein the appellant herein, namely M/s Kalindi Associates emerged as

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Date: 2026.11.17 16:55:19 IST
Reason:

the highest bidder with an offer of Rs. 31,00,00,000/- (Rupees Thirty One Crores only). However, subsequent to the conclusion of the auction, a third party who was a stranger to the entire auction process, namely M/s Maa Sharda Oils, submitted a higher offer of Rs. 35,00,00,000/- (Rupees Thirty-Five Crores only). When the Official Liquidator communicated this offer to the High Court, by order dated 27.09.2025, the High Court rejected the same but directed the Official Liquidator to inquire whether the appellant herein would be willing to revise its bid to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only). The petitioner herein conveyed its willingness to enhance its bid to the said amount of Rs.35,00,000/- (Rupees Thirty-Five Lakhs only).

4. Respondent No.2 herein, who is also a non-participant to the auction process, filed an interlocutory application before the High Court seeking to participate in the auction process. By a common order dated 16.03.2026, the learned Single Judge of the High Court rejected the aforesaid interlocutory application and also accepted the enhanced bid of the appellant of Rs. 35,00,00,000/- (Rupees Thirty-Five Crores only). Against this order,

respondent No.2 herein preferred Company Appeal No.12/2026 before a Division Bench of the High Court. By order dated 23.04.2026, the Division Bench allowed the appeal and remanded the earlier-rejected interlocutory application filed by respondent No.2 to the learned Single Judge for fresh consideration, and directed the Official Liquidator to refrain from executing the sale deed in favour of appellant in the meanwhile. This was on the basis of certain precedents of this Court which held that even if the sale certificate had been issued, if there were higher offers by a third party, then they could be considered. Against this order, the appellant herein preferred Review Petition No.954/2026 before the Division Bench of the High Court. On 11.05.2026, the Division Bench dismissed the aforesaid review petition on the basis that the earlier order passed in the company appeal, merely being one of remand, did not call for any interference.

5. Hence, the instant appeals.

6. We have heard learned senior counsel for the appellant and learned senior counsel for respondent No.2 and learned counsel for respondent Nos.1 and 3 (Official Liquidator representing the Company in Liquidation). We

have also perused the material on record.

7. By the impugned order, the High Court remanded to the learned Company Judge, I.A. No.170/2026 filed by respondent No.2 herein to be heard afresh, while setting aside the order passed on I.A. No.11913/2025, filed by the appellant herein, *vide* order dated 16.03.2026 by the learned Company Judge of the Madhya Pradesh High Court at Indore Bench.

8. Admittedly, respondent No.2 was not a participant in the auction proceedings which took place on 29.01.2025. Admittedly, at that auction conducted on the aforesaid date, the appellant was the highest bidder and the bid for a sum of Rs.31 crores was accepted for the subject land when the reserve price was Rs.29 crores. Later appellant also enhanced his offer to Rs.35 Crores. However, it is thereafter that respondent No.2 herein sought to intervene in the proceedings through filing I.A. No.170/2026 by contending that he was willing to offer a sum of Rs.42.25 crores. The said application was dismissed by the learned Single Judge. However, the Division Bench remanded the matter to the learned Company Judge to reconsider the said application.

9. We find that the Division Bench was not right in remanding the matter to the learned Company Judge to reconsider the application filed by respondent No.2 for the following reasons: Respondent No.2 is a stranger to the auction proceedings. We say so for the reason that he was not a participant in the auction process and in the actual auction which took place on 29.01.2025. Neither he did participate in the auction nor did he make any bid on the said date. Therefore, respondent No.2 is a stranger and not a person aggrieved by the auction which took place on the said date in which the appellant was declared to be the highest bidder. That being the position of respondent No.2, he could not have intervened in the liquidation proceedings by filing an application namely, I.A. No.170/2026. It was highly speculative and without any locus standi on the part of the said respondent to have filed the said application at all.

10. The learned Company Judge, in our view, rightly declined to entertain the prayer of respondent No.2/applicant and dismissed the same. The Division Bench however, has failed to notice the fact that respondent No.2 herein who filed I.A. No.170/26 had no locus

whatsoever to file the said application and the same had been rightly declined/rejected by the learned Company Judge. In that view of the matter, we find that the Division Bench was not right in remanding the matter to the learned Company Judge to rehear I.A.No.170/2026.

11. In this context, we wish to rely on the decision of this Court in the case of *Jasbhai Motibhai Desai vs. Roshan Kumar, Haji Bashir Ahmed, AIR 1976 SC 578*. The relevant paragraphs read as under:

> **"33. This Court has laid down in a number of decisions that in order to have the locus standi to invoke the extraordinary jurisdiction under Article 226, an applicant should ordinarily be one who has a personal or individual right in the subject-matter of the application, though in the case of some of the writs like habeas corpus or quo warranto this rule is relaxed or modified. In other words, as a general rule, infringement of some legal right or prejudice to some legal interest inhering in the petitioner is necessary to give him a locus standi in the matter…….**
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> **xxx**
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> **36. It will be seen that in the context of locus standi to apply for a writ of certiorari, an applicant may ordinarily fall in any of these categories: (i) "person aggrieved"; (ii) "stranger"; (iii) busybody or meddlesome interloper. Persons in the last category are easily distinguishable from those coming under the first two categories. Such persons interfere in things which do not concern them. They masquerade as crusaders for justice. They pretend to act in the name of Pro Bono Publico, though they have no interest of the public or even of**

their own to protect. They indulge in the past-time of meddling with the judicial process either by force of habit or from improper motives. Often, they are actuated by a desire to win notoriety or cheap popularity; while the ulterior intent of some applicants in this category, may be no more than spoking the wheels of administration. The High Court should do well to reject the applications of such busybodies at the threshold.

37. The distinction between the first and second categories of applicants, though real, is not always well-demarcated. The first category has, as it were, two concentric zones; a solid central zone of certainty, and a grey outer circle of lessening certainty in a sliding centrifugal scale, with an outermost nebulous fringe of uncertainty. Applicants falling within the central zone are those whose legal rights have been infringed. Such applicants undoubtedly stand in the category of "persons aggrieved". In the grey outer circle the bounds which separate the first category from the second, intermix, interfuse and overlap increasingly in a centrifugal direction. All persons in this outer zone may not be "persons aggrieved".

38. To distinguish such applicants from "strangers", among them, some broad tests may be deduced from the conspectus made above. These tests are not absolute and ultimate. Their efficacy varies according to the circumstances of the case, including the statutory context in which the matter falls to be considered. These are: Whether the applicant is a person whose legal right has been infringed? Has he suffered a legal wrong or injury, in the sense, that his interest, recognised by law, has been prejudicially and directly affected by the act or omission of the authority, complained of? Is he a person who has suffered a legal grievance, a person "against whom a decision has been pronounced which has wrongfully deprived him of something or wrongfully refused him something, or

wrongfully affected his title to something?" Has he a special and substantial grievance of his own beyond some grievance or inconvenience suffered by him in common with the rest of the public? Was he entitled to object and be heard by the authority before it took the impugned action? If so, was he prejudicially affected in the exercise of that right by the act of usurpation of jurisdiction on the part of the authority? Is the statute, in the context of which the scope of the words "person aggrieved" is being considered, a social welfare measure designed to lay down ethical or professional standards of conduct for the community? Or is it a statute dealing with private rights of particular individuals?

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50. The instant case falls well-nigh within the ratio of this Court's decision in *Nagar Rice and Flour Mills* v. *N.T. Gowda*, (1970) 3 SCR 846 = (AIR 1971 SC 246) wherein it was held that a rice mill-owner has no locus standi to challenge under Article 226, the setting up of a new rice-mill by another — even if such setting up be in contravention of Section 8(3)(*c*) of the Rice Milling Industry (Regulation) Act, 1958 — because no right vested in such an applicant is infringed."

12. Moreover, we also rely on the recent judgment of this Court in the cases of *Golden Food Products India vs. State of U.P. and Ors., 2026 SCC OnLine SC 24 ("Golden Food Products India")* and *Eva Agro Feeds (P) Ltd. vs. Punjab National Bank, (2023) 10 SCC 189 ("Eva Agro Feeds (P) Ltd.")*. In *Golden Food Products India*, this Court observed in paragraphs 21, 22 and 32 as under:

"21. In *K. Kumara Gupta* v. *Sri Markendaya & Sri*

***Omkareswara Swamy Temple*, (2022) 5 SCC 710, it was observed by this Court that unless and until it was found that there was any material irregularity and/or illegality in holding the public auction and/or the auction was vitiated by any fraud or collusion, it is not open to set aside the auction or sale in favour of the highest bidder on the basis of some representation made by a third party who did not even participate even in the auction proceedings and did not make any offer. If there is repeated interference in the auction process, the object and purpose of holding public auction and its sanctity would be frustrated. That unless there are allegations of fraud, collusion, etc., the highest offer received in the public offer should be accepted as a fair value. Otherwise, there shall not be any sanctity of any public auction.**

22. In *Eva Agro Feeds*, it was observed that the mere expectation of the liquidator (in the said case) which could also mean the auction seller that, a still higher price may be obtained can be no good ground to cancel an otherwise valid auction and go in for another round of auction. Such a course of action would not only lead to incurring of avoidable expenses but also erode credibility of the auction process itself. Thus, the auctioning authority must adhere to the rule of law and an auction cannot be cancelled arbitrarily.

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32. An auction process has a sanctity attached to it and only for valid reasons that the highest bid can be discarded in an auction which is otherwise held in accordance with law. If a valid bid has been made which is above the reserve price, there should be a rationale or reason for not accepting it. Therefore, the decision to discard the highest bid must have a nexus to the rationale or the reason. Merely because the authority conducting the auction expected a higher bid than what the highest bidder had bid cannot be a reason to discard the highest bid…."

13. In *Eva Agro Feeds (P) Ltd.*, this Court in paragraph 71 observed as under:

> **"71. A conjoint reading of the aforesaid provisions would make it clear that while the highest bidder has no indefeasible right to demand acceptance of his bid, the Liquidator if he does not want to accept the bid of the highest bidder has to apply his mind to the relevant factors. Such application of mind must be visible or manifest in the rejection order itself. As this Court has emphasised the importance and necessity of furnishing reasons while taking a decision affecting the rights of parties, it is incomprehensible that an administrative authority can take a decision without disclosing the reasons for taking such a decision."**

14. Merely because a person who has not participated in an auction proceedings and is a stranger thereto seeks to enter the fray by making a higher bid at a later stage would not confer any locus or right on such a party to seek conferment of the bid in his favour.

15. In the circumstances, we set aside the impugned order of the Division Bench of the High Court. We also dismiss I.A. No.170/2026 filed by respondent No.2 herein. The appeals are allowed in the aforesaid terms.

16. No costs.

17. At this stage, learned senior counsel categorically

submitted that the appellant has already deposited a sum of Rs.35 crores and the said fact is also acknowledged by learned counsel for the Official Liquidator.

18. The official liquidator shall handover possession of the subject land to the appellant herein immediately after all legal formalities are completed including registration of the sale deed.

19. All pending applications including intervention application shall stand disposed of.

……J.
(B.V. NAGARATHNA)

……J.
(R. MAHADEVAN)

NEW DELHI;
OCTOBER 28, 2026

ITEM NO.12 COURT NO.3 SECTION IV-C

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition for Special Leave to Appeal (C)No(s).18907-18908/2026
[Arising out of impugned final judgment and order dated 11-04-2026 in RP No. 954/2026 23-04-2026 in COMPA No. 12/2026 passed by the High Court of Madhya Pradesh at Indore]

M/S KALINDI ASSOCIATES Petitioner(s)

VERSUS

M/S BHARAT COMMERCE AND INDUSTRIES LIMITED & ORS. Respondent(s)

(IA No. 192284/2026 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 262225/2026 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 165183/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT
IA No. 213531/2026 - INTERVENTION APPLICATION
IA No. 200224/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES
IA No. 231287/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES
IA No. 328356/2026 - STAY APPLICATION)

Date : 28-10-2026 These matters were called on for hearing today.

CORAM :
HON'BLE MRS. JUSTICE B.V. NAGARATHNA
HON'BLE MR. JUSTICE R. MAHADEVAN

For Petitioner(s) Mr. Shashank Garg, Sr. Adv.
Mr. Shivam Sachdeva, Adv.
Mr. Himansh Yadav, Adv.
Mr. Devvrat- 1828, AOR
Mr. Abhinav Malhotra, Adv.
Ms. Divyansha, Adv.
Mr. Vinod Kumar Jaiswal, Adv.

For Respondent(s) **Ms. Mrinmayee Sahu- 1976, AOR**
Mr. Jitin Chaturvedi, Adv.
Ms. Amruta Padhi, Adv.

Mr. S Niranjan Reddy, Sr. Adv.
Mr. Ankit Chaturvedi- 3459, AOR
Mr. Shubham Agarwal, Adv.
Ms. Gaargi Singh, Adv.
Ms. Tarjana Rai, Adv.
Ms. Tripti Jain, Adv.
Mr. Prakhar Karpe, Adv.
Mr. Vineet Shrivastawa, Adv.

Mr. Shekhar Sharma, Sr. Adv.
Mr. Shubhankar Sharma, Adv.
Ms. Sneha Sanjay Botwe- 4031, AOR

UPON hearing the counsel the Court made the following

O R D E R

1. **Leave granted.**

2. **The appeals are allowed in terms of the signed order.**

3. **All pending applications including intervention application shall stand disposed of.**

(RADHA SHARMA) **(DIVYA BABBAR)**
ASTT. REGISTRAR-cum-PS **COURT MASTER (NSH)**
(Signed order is placed on the file)