

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**Recovery Certificate No. 802 of 2015**

**Certificate under Section 28A of the Securities and Exchange Board of India Act, 1992 read with Section 222 of the Income Tax Act, 1961 in respect of Mangalam Agro Products Limited**

**Order qua Mr. Priya Ranjan Sah in the auction of properties of Mangalam Agro Products Limited**

**Background:**

1. Recovery proceedings had been initiated under Recovery Certificate No. 802 of 2015 dated October 09, 2015 against Mangalam Agro Products Limited & its Directors/Promoters [hereafter 'Defaulter(s)'] for failure to pay a sum of Rs. 11 Crores along with further interest, all costs, charges and expenses etc. on account of a direction of SEBI to refund money to the investors.
2. SEBI has in exercise of powers conferred u/s 28A of SEBI Act r/w provisions of Income Tax Act, 1961 issued E-Auction Sale Notice dated October 15, 2024 for sale of 15 properties including the following property owned by Defaulter(s) which were attached by SEBI in the recovery proceedings against it:

| *S No | Property description                                                                                                                                                                                                                                                                                                                                       | Reserve Price (in Rs.) | EMD (in Rs.) |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------|
| M7    | Flat in first floor, Room No. 1, Glorious Shopping Complex, R.S & L.R Dag No. 43, R.S Khatian No. 211, L.R Khatian No. 905, 906, 2011, 2012, 2014, 2161, 2162, 2163 & 2167, Mouza: Mahadebpur, J.L No. 75, P.S & SRO: Bagnan, Kahlor Gram Panchayat, District: Howrah<br><br>Total Area: <b>1000 sqft</b><br>Deed No: <b>I-01359 of 2013</b> (ADSR Bagnan) | 32,25,000/-            | 3,22,500/-   |

\*S No as appearing in published Notice of Sale

3. SEBI engaged the valuation and e-auction process with Quikr Realty Pvt. Ltd ('Agency') and Agency has appointed C1 India Pvt. Ltd ('E-auction Service Provider') for this auction. The last date for submitting the bid forms and EMD was November 13, 2024 and the e-auction was scheduled on November 19, 2024. In response to the said Notice of Sale, SEBI received bid form and EMD from 1 bidder namely, Mr. Priya Ranjan Sah.
4. The auction of the abovementioned property was knocked down in favour of the sole bidder, viz. Mr. Priya Ranjan Sah, for a bid value of Rs. 32,25,000/- (Rupees Thirty-Two Lakh Twenty-



Five Thousand Only). Post auction, the bidder was supposed to make payment of sale consideration in 2 tranches- payment of 25% of sale value inclusive of 10% EMD already paid (first tranche) within 48 hours of receiving intimation of successful bid, and balance payment of 75% of sale value along with 1% poundage (second tranche) within 15 days of date of sale (i.e. December 3, 2024).

5. The sole bidder, Mr. Sah defaulted in making payments for the sale value (their highest bid placed during the bidding process on November 19, 2024) within the stipulated time. He had made full payment on December 4, 2024 which is after the due date (i.e. December 3, 2024). As he failed to make payment within timeline given by Recovery Officer, his bid was cancelled by Recovery Officer in terms of the provisions of Point 11 (*Default of payment*) of the detailed terms and conditions of the sale notice dated October 15, 2024 and Point 16(b) (*Stay/Cancellation of Sale*) of the same, and EMD paid by him stood forfeited.
6. Subsequently, the bidder filed a writ petition (WPA 1758 of 2025) before the Hon'ble Calcutta High Court (hereafter 'Hon'ble HC'), seeking exemption for the delayed payment of one day. Also, he sought confirmation of the sale in his favour in view of the fact that full payment was made by him. Further, he sought injunction on SEBI's communication (Email dated January 3, 2025) regarding cancellation of his bid submitted on this property.
7. The Hon'ble Calcutta High Court, while disposing of the petition, vide its order dated May 19, 2025 directed the following-

*"As it may appear that the petitioner may have delayed in making payment only by a single day and there was no other bidder in the auction apart from the petitioner, the authority is directed to reconsider as to whether there is any requirement of rejecting the petitioner's bid and forfeiting the bid amount and the poundage fee. If a day's delay can be condoned by the authority, then the authority may proceed to accept the bid of the petitioner."*

#### **Submissions by Mr. Priya Ranjan Sah**

8. Mr. Priya Ranjan Sah appeared on May 28, 2025 pursuant to the opportunity of hearing provided to him. During the hearing, he reiterated that the delay in payment of second tranche was unintentional and requested for exemption of the delay and confirm the sale in his favour in respect of the property. Also, Mr. Sah made additional submissions vide email dated May 29, 2025 that he could not make 1% poundage amount as per timelines due to some miscommunication however the same was paid next day.



**Consideration of submissions:**

9. I have carefully considered the submissions made by Mr. Priya Ranjan Sah and the other material available on record. I find that the issues raised by him pertain to and emanate from his delay in making payment of 75% of the sale price/second tranche in respect of the abovementioned property within the given due date. The timelines for making payment in respect of properties purchased in public auction which are followed in SEBI's recovery proceedings are specified in Rules 57(1) and 58 of Second Schedule of the Income-tax Act 1961, which are quoted below: -

**57. Deposit by purchaser and resale in default.** - (1) *On every sale of immovable property, the person declared to be the purchaser shall pay, immediately after such declaration, a deposit of twenty-five per cent on the amount of his purchase money, to the officer conducting the sale; and, in default of such deposit, the property shall forthwith be resold.*

(2) *The full amount of purchase money payable shall be paid by the purchaser to the Tax Recovery Officer on or before the fifteenth day from the date of the sale of the property.*

**58. Procedure in default of payment-** *In default of payment within the period mentioned in the preceding rule, the deposit may, if the Tax Recovery Officer thinks fit, after defraying the expenses of the sale, be forfeited to the Government, and the property shall be resold, and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold.*

10. In terms of the aforesaid rules, the timeline for making full payment of sale consideration by the bidder is 15 days from the date of sale, and default thereof results in the property being put up for resale.
11. In respect of submissions by the bidder w.r.t delay in payment of 1% poundage due to some miscommunication, I note that he was declared as the successful bidder for the above mentioned property after conclusion of auction on November 19, 2024 and also the timelines were clearly informed to the bidder through the Agency vide email dated November 19, 2024. In terms of the email dated November 19, 2024, first tranche payment on or before November 21, 2024 and second tranche payment on or before December 03, 2025 was clearly specified. Apart that, reminders were sent by SEBI vide email dated November 20, 2024 and November 29, 2024 informing that payment shall be made as per the timelines. Further, another reminder vide email dated December 3, 2025 was sent by SEBI to the Bidder to make balance payment by December 3, 2025 and also informed default of payment of bid amount with stipulated time, shall render automatic cancellation of sale without any notice and forfeit of EMD and other deposits. It is worthwhile to note that the bidder was informed multiple times to comply the



timelines of Notice of Sale. Therefore, there is no miscommunication regarding timelines from Agency's/SEBI's end.

12. I note that the observation by Hon'ble HC regarding *reconsider as to whether there is any requirement of rejecting the petitioner's bid and forfeiting the bid amount and the poundage fee. If a day's delay can be condoned by the authority, then the authority may proceed to accept the bid of the petitioner.* In this regard, Recovery Officer can exercise discretion to amend/modify/delete any of the conditions of auction only in a manner for conducting free, fair and transparent manner of the sale, and after following due procedure of issuing public notice to that effect. Further, Recovery Officer does have limited discretion in modifying the terms and conditions of notice of sale, however, only to the extent the same do not violate any possible statutory provisions.
13. I note, as per the records, that after he was declared the successful bidder for the property, the bidder paid first tranche of purchase money, which was supposed to be made within 48 hours of receipt of intimation of successful bid from SEBI (i.e. November 21, 2024) and second tranche payment on December 04, 2024 with delay of one day. Though the *bona fide* of the bidder w.r.t first tranche payment as per timelines and the second tranche payment with one-day delay having unintentional on the part of bidder's end however, no legal provision u/s 28A of SEBI Act r/w provisions of Income Tax Act, 1961, which allows Recovery Officer to condone the delay in making payment.

**Order:**

14. The sale of the abovementioned property cannot be confirmed in favour of bidder Shri Priya Ranjan Sah, and said property will be put up for resale in terms of the provisions of the Second Schedule of Income-tax Act, 1961. The actual expenses incurred for such sale has been proportionately defrayed from the amount deposited with SEBI by the bidder towards the said property in terms of Rule 58 of second schedule of Income Tax Act, 1961 and the remaining amount will be refunded to him. In compliance with the directions of the Hon'ble HC, the representation/petition of Shri Priya Ranjan Sah is disposed of in terms of the abovementioned directions. True copy of this order to be served on Shri Priya Ranjan Sah for information.

Given under my hand and seal at Kolkata this 30<sup>th</sup> day of May, 2025.



  
**RECOVERY OFFICER**  
राजकुमार कलुरी / Rajkumar Kaluri  
वसूली अधिकारी एवं उप महाप्रबंधक  
Recovery Officer & Dy. General Manager  
भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India  
कोलकाता / Kolkata