

IN THE SUPREME COURT OF BANGLADESH
HIGH COURT DIVISION
(ADMIRALTY JURISDICTION)

Present:

Mr. Justice Sikder Mahmudur Razi

Admiralty Suit No. 62 of 2022

IN THE MATTER OF:

Panmark Impex PIE Ltd.

... Plaintiff.

-Vs-

The Vessel A.M. Accord: (IMO: 9166132)
and others.

.....Defendants.

With

Admiralty Suit No. 47 of 2022

Reliance Shipping & Logistic Limited

... Plaintiff.

-Vs-

The Vessel A.M. Accord: (IMO: 9166132)
and others.

....Defendants.

Mr. Md. Shahjahan, Advocate

....For the applicant (In Ad. Suit No. 62 of 2022).

Mr. Hasan Mohammad Reyad, Advocate

....For the plaintiff.

The 7th January, 2026

Following two office notes and an application for setting aside the auction in respect of vessel AZ QINGDAO these two admiralty suits were posted in the list for Order on 07.01.2026 by order dated 05.01.2026. Subsequently, on 06.01.2026 an application for addition of party was filed in Admiralty Suit No. 62 of 2022 and accordingly both the suits appeared in today's for order along with the application for addition of party. Therefore, for convenience and clarity, this order has been arranged under three separate heads.

Application for addition of party:

An application for addition of party has been filed in Admiralty Suit No. 62 of 2022 by M/s. Swarna International, proprietor Abu Jahan Chowdhury, stating that the applicant was the third highest bidder in an auction earlier held on 28.08.2025. It has been stated in the application that, being the third highest bidder, the applicant subsequently withdrew his security deposit amounting to Tk. 15,00,000/- (Taka fifteen lakh).

It has further been stated that M/s. Sonia Iron Store, being the highest bidder in the said auction, deposited 25% of the bid amount as initial payment through a pay order. However, as the said bidder failed to deposit the remaining 75% of the auction price within the stipulated time, the auction was set aside and the deposited 25% amount was forfeited by the Court in accordance with the terms of the auction notice.

It is further stated that thereafter, on 10.09.2025, M/s. Sonia Iron Store entered into an agreement with the present applicant. According to the said agreement, the applicant paid a total sum of Tk.2,20,00,000/- (Taka two crore and twenty lakh) to M/s. Sonia Iron Store. It has been alleged that with the said amount, the highest bidder deposited another pay order in connection with the auction and withdrew the previous pay order.

The applicant alleges that the pay order ultimately used by M/s. Sonia Iron Store in the auction was drawn from the money received from the present applicant and, since that amount has been forfeited by

order of the Court, the applicant has suffered substantial loss and damage. On such assertion, the applicant claims to be a necessary party in the present Admiralty suit.

Mr. Md. Shahjahan, learned Advocate appearing for the applicant, makes submissions in support of the application for addition of party.

The application has been opposed by Mr. Hasan Mohammed Reyad, learned Advocate appearing for the plaintiff. The learned Advocate submits that the alleged agreement is fraudulent and misconceived, inasmuch as M/s. Sonia Iron Store participated in the auction in respect of the vessel “AZ QINGDAO (Flat Deck Dumb Barge)”, whereas the agreement relied upon by the applicant pertains to an entirely different vessel, namely “A.M. ACCORD”. He submits that such inconsistency itself discloses a fraudulent and collusive arrangement, disentitling the applicant from any relief. He further submits that the applicant has no legal interest in the vessel under arrest, and his presence is neither necessary nor proper for the effective adjudication of the suit.

I have heard the learned Advocates for the respective parties and have carefully examined the application along with the list of documents filed in support thereof. Upon scrutiny of the documents, it appears that the agreement relied upon by the applicant unequivocally relates to the vessel “A.M. ACCORD”, whereas M/s. Sonia Iron Store

admittedly participated in the auction for purchasing the vessel “AZ QINGDAO (Flat Deck Dumb Barge)”.

From the statements made in the application and the submissions advanced by the learned Advocates, it is evident that the applicant has no direct or legal interest in the vessel AZ QINGDAO, nor does he claim any right arising out of the auction conducted under the authority of this Court. Any alleged financial transaction between the applicant and M/s. Sonia Iron Store is purely private in nature, dehors the Admiralty jurisdiction exercised by this Court.

It is well settled that a person can be added as a party only when his presence is necessary for the effective and complete adjudication of the issues involved in the suit. In the present case, the applicant is neither a necessary party nor a proper party, as no relief is claimed against him. His alleged grievance, if any, lies solely against M/s. Sonia Iron Store, proprietor Mr. Selim Bepari, and such dispute may be agitated before an appropriate forum in accordance with law. Moreover, neither the highest bidder nor the present applicant is required to be impleaded for the disposal of the original Admiralty suit, and their presence would not assist this Court in determining the *lis* between the parties to the suit.

Accordingly, the application for addition of party is rejected.

Vessel A M ACCORD

Seen the office note dated 05.01.2026. It transpires that in respect of the vessel “A M Accord: IMO: 9166132” presently lying at BFDC Jetty, Chattogram an auction took place on 11.12.2025. In the said auction M/s. Sea Line Engineering Services became the highest bidder by offering Tk.6,10,00,000/- (Taka six crore ten lac) only. The said bid was accepted on the same date and the highest bidder received the letter of acceptance on 14.12.2025 and as per terms of the auction notice and the acceptance letter he deposited the required 25% on 17.12.2025, following which he was instructed to deposit the rest 75% of the auction price amounting Tk.4,57,50,000/- (Taka four crore fifty seven lac fifty thousand) as per terms of the auction notice within 14 days from 17.12.2025. However, before expiry of that period the highest bidder by an application dated 31.12.2025 (received by the office on 01.01.2026) prayed for an extension of time up to 31.01.2026 for making payment of the rest 75% of the auction price. In his application the applicant stated that because of some financial difficulties he failed to arrange the entire amount. In his application the applicant further stated that if he fails to pay the rest amount by 31.01.2026 the Registrar General and Marshal may forfeit the entire deposited amount and, in that case, he will have no objection. It further appears from the office note that on 04.01.2026 the bidder has deposited Tk. 2,00,00,000/- (Taka 2 crore) through 03 pay orders out of the rest amount of Tk. 4,57,50,000/- only.

Under such facts and circumstances the matter has been placed before this Court for necessary order.

This Court has considered the application filed by the highest bidder seeking extension of time for depositing the remaining 75% of the auction price. It further appears that, after submitting such application the applicant further deposited Tk.2,00,00,000/- (Taka two crore) through 03 pay orders out of the rest amount of Tk.4,57,50,000/- only and the amount now remains unpaid is Tk.2,57,50,000/- (Taka two crore fifty-seven lac fifty thousand) only.

It appears from record that the vessel was sold by public auction under the supervision of Marshal of this Court. The terms of auction required the successful bidder to deposit 25% of the bid amount within 72 hours of the communication of the information of the acceptance of the bid and to deposit the remaining 75% within 14 days thereafter. The terms further provided that in default of such payment, the deposited 25% would be liable to forfeiture.

It is admitted that the applicant has already deposited 25% of the bid amount in compliance with the auction terms. It is also admitted that the applicant has failed to deposit the entire remaining 75% within the stipulated time. The applicant has, however, approached this Court seeking an extension of time up to 31.01.2026 to make the balance payment. However, on 04.01.2026 he has already deposited Tk.2,00,00,000/- (taka two crore) only.

This Court notes that judicial sales, including admiralty sales, ordinarily require strict adherence to the conditions of auction. Time is generally treated as essential in such sales. Nevertheless, it is also settled that the Court, in appropriate and exceptional cases, may exercise limited equitable discretion to prevent undue hardship, provided no prejudice is caused to the stakeholders.

In the present case, the applicant has shown *bonafide* intention by depositing a substantial portion of the bid amount. The financial difficulties pleaded by the bidder cannot be altogether ignored, particularly in view of the challenging transition currently faced by the national economy. The extension sought is short and specific. The applicant has undertaken to deposit the entire remaining amount within the extended period without seeking any further indulgence as well as expressed that in case of his failure to comply he will have no objection if his deposited money is forfeited.

This court further notes that earlier another attempt was made to sell the vessel in auction but of no avail. This Court also considers that immediate cancellation of the sale and re-auction may cause further delay, additional expenses, and uncertainty in realization of the sale proceeds. At this stage, no material is placed to show that granting an extension for a short time will cause irreparable prejudice to the claimants, or any other party.

The Court is conscious that such indulgence cannot be granted as a matter of course. This order is being passed strictly on the facts of this case and shall not be treated as a precedent for routine extension of time in judicial auctions.

Accordingly, in the interest of justice, the application is allowed on the following strict conditions:

1. The applicant is granted one final extension up 31.01.2026 to deposit the remaining amount of Tk.2,57,50,000 (Taka two crore fifty- seven lac fifty thousand) only with the Registrar General and Marshal of this Court.
2. No further extension shall be granted under any circumstances.
3. If the applicant fails to deposit the entire remaining amount within the extended time the auction sale shall stand cancelled automatically, and the amount already deposited shall be forfeited in accordance with the auction terms, without any further reference of this Court.
4. Upon deposit of the full amount within the extended time, the sale shall be placed before this Court for confirmation in accordance with law.

Vessel/Barge AZ QINGDAO and the application for setting aside the auction:

This application has been filed by the plaintiff for setting aside the auction sale of the arrested vessel AZ QINGDAO, conducted on 11.12.2025, in the instant Admiralty Suits.

It appears that pursuant to orders of this Court, the vessel AZ QINGDAO was first put into auction after due publication. In that

auction, the highest bid was Tk.8.30 crore. The highest bidder deposited 25% of the bid amount but failed to deposit the remaining 75% within the stipulated time as well as extended time. Consequently, the said auction was cancelled and the deposited amount was forfeited.

Thereafter, a fresh auction was duly advertised and held on 11.12.2025 under the supervision of the Marshal of this Court. In the said auction, the vessel fetched a highest bid of BDT 3.00 crore, which was deposited in full by the successful bidder within time. No objection was raised by any bidder, by the plaintiff or by the defendant at the time of auction or immediately thereafter.

The plaintiff has now challenged the said auction alleging fraud, collusion and syndication among the bidders, mainly on the ground that the price fetched is substantially lower than the price obtained in the earlier failed auction.

I have examined the allegations as well as heard the Superintendent of the original section who was also present at the time of the auction. It has been reported that the auction was conducted openly, fairly and in accordance with law, in presence of the members of the law enforcing agencies and more than 60 persons participated in the auction. No irregularity was noticed at the time of auction. None of the bidders or anyone else raised any complaint regarding the auction process at the relevant time.

Therefore, mere inadequacy of price, in absence of proof of fraud or material irregularity, is not a valid ground to set aside a judicial sale. The earlier auction did not culminate in a completed sale due to failure of payment by the highest bidder. Moreover, the vessel/barge has remained under arrest for a long time at a remote location, and it has been reported that the vessel/barge has been submerging gradually, 12 iron pillars and supporting angles inside the barge were found to be cut and that parts of the vessel/barge have been lost & stolen and there is a continuing risk of further theft by local miscreants. Furthermore, there is no certainty that a fresh auction would fetch a higher price; rather, further delay may cause more deterioration of the vessel, increase the loss and the attendant costs.

The Court finds that the allegations of fraud and syndication are not substantiated by any cogent evidence. Therefore, setting aside the auction at this stage would not serve the ends of justice.

Accordingly, the application is rejected. The auction sale of the vessel/barge AZ QINGDAO held on 11.12.2025 is hereby confirmed. The auction conducted by Principal Officer (In Charge) Mercantile Marine Department is hereby set aside and the Mercantile Marine Department is directed to refund the auction money amounting Tk. 31 Lac to the proprietor of M/s. Two H Trading.

The Registrar General and Marshal is directed to issue the Sale Confirmation Certificate forthwith subject to encashment of the pay

orders and to take necessary steps for delivery of the vessel to the successful auction purchaser.

Let a copy of this order be communicated to all concerned forthwith.

(Sikder Mahmudur Razi, J:)