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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ CM Appl. Nos. 1665, 3012/2013 in W.P.(C) 742/2013

RAMAN KUMAR & ANR Petitioners
Through: Mr. D.D. Singh with Mr. Navdeep Singh,
Advocates

versus

DDA Respondent
Through: Ms. Manika Tripathi Pandey with Mr.
Ashutosh Kaushik, Advocates

CORAM:
HON'BLE MR. JUSTICE MANMOHAN

% **ORDER**
29.07.2013

The present writ petition has been filed under Article 226 of the Constitution seeking restoration of allotment of property No. B-32, Zafarabad Residential Scheme, Delhi in accordance with the auction held on 28th March, 2012.

The relevant facts of the present case are that in January, 2012, the respondent-DDA advertised about sale of certain immovable properties in Delhi on auction basis. In the auction, the petitioners were the sole bidder for the aforesaid property and their bid was Rs.2,01,20,000/- i.e. only Rs. One lac more than the reserve price.

Though the auctioning officers of DDA had recommended to their superiors that the petitioners' bid be accepted, yet the Principal Commissioner and the Vice-Chairman of DDA did not accept their

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9

advice and on the contrary ordered that as the sole auction bid was not even five per cent higher than the reserve price, the same should not be accepted.

Mr. Singh, learned counsel for the petitioner refers to the file notings placed on record by the respondent-DDA to contend that though the Vice-Chairman, DDA had recommended the rejection of the petitioners' bid on 29th July, 2012, yet the rejection letter had been issued by the DDA on a prior date i.e. 26th July, 2012. He also refers to the noting of the Vice-Chairman, DDA to submit that the norms of a commercial bid had been erroneously applied to a residential area.

On the other hand, Ms. Pandey, learned counsel for the respondent-DDA has taken this Court through the file notings. She contends that the rejection letter had been issued on 26th July, 2012 in pursuance to the notings of the Principal Commissioner and Vice-Chairman, DDA dated 28th June, 2012 and 29th June, 2012 respectively. She further points out that two other similar bids received in the same auction had been rejected on identical grounds.

Upon a perusal of the Court file, this Court finds that clause-II (5) of the bid document empowers DDA to reject any bid including the highest bid. Clause-II(5) of the bid document reads as under:-

"The officer conducting the auction may, for reasons to be recorded in writing and recommend to the Competent Authority to reject any bid including the highest bid."

A co-ordinate Bench of this Court in *Ajay Bikram Singh v. Delhi Development Authority*, WP(C) 1699/2012 decided on 26th March, 2012, while interpreting a similar cause on similar facts held as under:-

"10. Sub-clause 5 of Clause II makes it abundantly clear that the officer conducting the auction may, for reasons to be recorded in writing recommend to the Competent Authority to reject any bid including the highest bid. In the present case, the bid of the subject plot received from the petitioner and his wife was for ₹ 4,05,07,750/-, i.e., merely ₹ 1 lac above the reserve price fixed for the plot. It is not disputed that the petitioner and his wife were the sole bidders in respect of the subject plot. The respondent/DDA invoked sub-clause 5 of Clause II of the Brochure to reject the said bid, being a single bid. The aforesaid right to reject the bid could have been exercised by the Competent Authority alone. Therefore, for the petitioner to state that he ought to have been informed on 18.11.2011 itself, i.e., on the date of auction, as to whether he was or was not successful in the bid, is untenable for the reason that the officer who was conducting the auction was not empowered to do so. He was only required to make his recommendations to the Competent Authority, which were in turn to be examined by the said Authority and a decision taken in this regard could have been communicated to the petitioner only after the date of auction. As a result, the deposit of 25% of the bid amount by the petitioner on the date of the auction could not create any vested right in his favour and such a bid was always subject to its acceptance by the Competent Authority."

In view of the aforesaid judgment, it is amply clear that the competent authority in DDA has the power and jurisdiction to reject even the highest bid.

A perusal of the file including the notings made by officers after the Vice-Chairman's order clearly reveal that the Principal Commissioner and the Vice-Chairman, DDA had ordered rejection of the bids on 28th June, 2012 and 29th June, 2012 respectively. The date below the Vice-Chairman's note seems to have been overwritten by an officer who has subsequently made a noting and signed the same. In any

11

event, one of the junior officers in pursuance to the order passed by the Vice-Chairman on 29th June, 2012 has made a noting on 06th July, 2012 to take legal action accordingly. Consequently, this Court is in agreement with the learned counsel for the respondent-DDA that the Vice-Chairman had passed an order on 29th June, 2012 and not on 29th July, 2012 i.e. prior to the communication of the order rejecting the petitioners' bid.

This Court is further of the opinion that as in the present case, the single bidder was only 0.5% higher than the reserve price, the senior officers of DDA rightly rejected the petitioners' bid. Reference by senior officials to the terms and conditions of a commercial bid was only by way of analogy, illustration and an additional reason. However, as the respondent-DDA had the power and jurisdiction to reject the bid and as the said power in the facts of the present case had been rightly exercised, the present writ petition is dismissed, but with no order as to costs.

JULY 29, 2013
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MANMOHAN, J