

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 13.10.2017

CORAM:

THE HON'BLE MR.JUSTICE K.K.SASIDHARAN

AND

THE HON'BLE MR.JUSTICE P.VELMURUGAN

W.A No.1086 of 2013 and

M.P.No.1 of 2013

E.Dakshinamurthy

...Appellant

Vs

The Principal Secretary,
Chairman and Managing Director,
State Industries Promotion Corporation
of Tamilnadu Ltd (SIPCOT)
No.19-A, Rukmani Lakshmipathy Road,
Post Box No.7223,
Egmore, Chennai - 600 008.

...Respondent

Prayer:- Writ Appeal filed under clause 15 of Letters Patent,
against the order made in W.P.No.13549 of 2012 dated 15.06.2012.

Petition filed under Article 226 of the constitution of
India praying for a writ of certiorarified mandamus calling for
the records of the respondent herein made in Ref. No. F & R/312/12
dt 2.5.2012 and quash the proceedings therein and consequently
directing the respondent not to issue any fresh tender to any
third parties and pass such further or other orders.

For Appellant : Mr.V.Balu

For Respondent : Ms.Sudharshana Sunder

J U D G M E N T

K.K. SASIDHARAN, J.

The dismissal of the writ petition challenging the
cancellation of the tender made the appellant to file this intra
court appeal.

2. The respondent initiated proceedings for auctioning the
assets of a borrower, invoking Section 29 of the State Financial
Corporation Act. The appellant submitted his bid. The respondent
called for a report from the Village Administrative Officer with
regard to the guideline rate. Since the guideline rate was more
than the rate offered by the appellant, he was invited for

negotiation. The appellant agreed to enhance the offer by Rs.5 lakhs. Since the appellant failed to agree to the guideline rate, the respondent cancelled the auction and directed the appellant to produce the original receipt for the purpose of refund of Earnest Money Deposit. The order passed by the respondent was challenged before the writ court. The learned single Judge dismissed the writ petition. Feeling aggrieved, the appellant has come up with this intra court appeal.

3. There is no dispute that the respondent considered the bid submitted by the appellant along with other bids. It was found that the bid amount has not matched with the guideline rate prescribed by the Government. The respondent, therefore, cancelled the auction. The bid of the appellant was yet to be accepted. No legal right would accrue to the appellant on account of such cancellation before acceptance of tender. We are therefore of the view that the learned single Judge was correct in dismissing the writ petition.

4. It appears that the respondent is yet to refund the Earnest Money Deposit to the appellant. The learned counsel for the respondent submitted that the appellant has not produced the original receipt and that was the reason for the delay in making the payment. However, there is no justification for keeping the Earnest Money Deposit, even after the dismissal of the writ petition on 15 June 2012. We are therefore of the view that the respondent should refund the Earnest Money to the appellant forthwith along with interest at the rate of 9% per annum.

5. In case, the respondent is of the view that auction should be conducted, the same should be done in a transparent manner, by issuing advertisement in the local newspaper having wide circulation.

6. The intra court appeal is disposed of with the above direction. No costs. Consequently, connected miscellaneous petition is closed.

WEB COPY
Sd/-
Assistant Registrar

/true copy/

Sub Assistant Registrar

To

The Principal Secretary,
Chairman and Managing Director,
State Industries Promotion Corporation
of Tamilnadu Ltd (SIPCOT)
No.19-A, Rukmani Lakshmipathy Road,
Post Box No.7223,
Egmore, Chennai - 600 008.

1 cc to Mr.V.Balu, Advocate, Sr. 74284

1 cc to Sudharshana Sundar, Advocate, sr. 73623

W.A No.1086 of 2013

SSI (CO)
kk 21/11



WEB COPY