

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**CWP-18575-2021 (O&M)
Date of Decision:17.09.2021**

Inderpreet Kaur

... Petitioner

Versus

State of Punjab & another

... Respondents

**CORAM:- HON'BLE MR. JUSTICE TEJINDER SINGH DHINDSA.
HON'BLE MR. JUSTICE VIVEK PURI.**

Present:- Mr. S.S. Salar, Advocate for the petitioner.

Mr. Sandeep Khunger, Advocate for caveator/respondent No.3.

...

TEJINDER SINGH DHINDSA, J. (ORAL).

Matter has been taken up through Video Conferencing via Webex facility in the light of the Pandemic Covid-19 situation and as per instructions.

Petitioner had participated in an e-auction process conducted by the Town Improvement Trust, Ludhiana.

Instant petition has been filed being aggrieved of the action of the respondent/Trust in not having accepted the bid submitted by the petitioner for a residential plot bearing No.845-F. Apparently, auction pertaining to the plot in question has been cancelled due to **“lower rates as compare to other similar properties”** (Annexure P-5).

Mr. S.S. Salar, learned counsel has raised a two fold submission. It is submitted that against the reserved price of Rs.1,47,60,670/- indicated by the Trust for the plot, the bid submitted by the petitioner was Rs.1,56,60,670/-. It is vehemently contended that since bid of

the petitioner was the highest and over and above the reserve price, the same ought to have been accepted and the petitioner is vested with a right for issuance of a letter of allotment.

The second submission raised by the petitioner is that as per site plan of the locality, the shape of plot Nos.844-F and 843-F was rectangular. Plot No.843-F was a corner plot as well. In comparison, plot No.845-F for which the petitioner had submitted a bid, did not have a regular shape. It is asserted that it was for such reason that there were as many as 17 bidders for plot No.844-F and 13 bidders for plot No.843-F and only four bidders for the plot in question i.e. 845-F. Argument sought to be built up is that there could have been no comparison between the plot in question i.e. 845-F as also the neighbouring plots and as such, the very basis on which the auction has been cancelled by observing that lower rates have been offered as compared to other similar properties cannot sustain.

Counsel prays that a writ of mandamus be issued for directing the respondent/Trust to accept the highest bid of the petitioner for plot No.845-F and allotment letter be issued.

We have heard counsel at length and have perused the pleadings on record.

It is by now well settled that the auction constitutes only an invitation to offer and unless the same is accepted, even if a person is the highest bidder no right for enforcing such a bid would be maintainable. Furthermore, the Government or the State instrumentalities can always validly retain power to accept or reject the highest bid in the interest of the public revenue. A reference in this regard may be made to a judgment of the

Apex Court in **Haryana Urban Development Authority and others Vs. Orchid Infrastructure Developers Private Limited, 2017 (4) SCC 243.**

In **Laxmi Kant and others Vs. Satyawan and others, 1996 (AIR) SC 2052**, it had been held that in a public auction, the highest bidder does not get any right to property in auction even though he has deposited the earnest money and unless the bid is accepted by the competent authority, no right is conferred upon the bidder.

In the light of such settled position in law, merely for the fact that the petitioner herein had put in the highest bid and which was over and above the reserve price, no vested right had accrued in her for the bid to be accepted. In the facts of the present case, no concluded contract came to being.

Petitioner is questioning the reasoning adopted by the respondent/ Trust for cancellation of the auction in respect of the plot. As per Annexure P-5, auction has been cancelled due to lower rates as compared to other similar properties. Case projected on behalf of the petitioner is that the adjoining plots were advantageously located and as such there was no comparison possible with the plot for which the petitioner had submitted her bid. Even on such ground, no interference is warranted. The Hon'ble Supreme Court in **Meerut Development Authority Vs. Association of Management Studies and another, 2010 (8) RCR (Civil) 2848** had held that the power of judicial review does not confer upon the Court to look into the merits or correctness of the decision but would be confined as regards the manner in which the decision is taken or the order is made. The Court cannot substitute its own opinion for the opinion of the

authority deciding the matter. In **Sanjay Garg and another Vs. State of Haryana and another (CWP-29916-2019)** decided on 29.11.2019, this Court had held that loss of revenue would be a valid reason for rejection of the highest bid unless such decision is shown to be mala fide or motivated for extraneous considerations. In the present case, petitioner is not alleging any mala fide or motive against the officials of the Improvement Trust in relation to the auction process. In the absence of the same, this Court would not be inclined to review a decision taken by the competent authority while cancelling the auction of a site on the ground that it had fetched a lower price compared to other sites.

For the reasons recorded above, we do not find any merit in the instant writ petition and the same is dismissed in limini.

Petition is dismissed.

(TEJINDER SINGH DHINDSA)
JUDGE

(VIVEK PURI)
JUDGE

17.09.2021
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| i) Whether speaking/reasoned? | Yes/No |
| ii) Whether reportable? | Yes/No |