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O.S.A.No.259 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 24.11.2025

PRONOUNCED ON : 17.12.2025

CORAM

THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM

AND

THE HONOURABLE MR. JUSTICE MOHAMMED SHAFFIQ

O.S.A.No.259 of 2024

and

C.M.P.Nos.2997 of 2024 & 16660 of 2025

1.Sri Lakshmi Homes Private Limited,
Represented by its Managing Director,
Mrs.S.Lakshmi
No.28/16, Anna Street, Kallipuppam,
Ambattur, Chennai – 600 053.

2.M/s.Crystal Creations (India) Private Limited,
Represented by its Additional Director,
T.Yeshwanth,
Old No.125, New No.321, T.T.K Road,
Alwarpet, Chennai – 600 014.

... Appellants

[Appellant No.2 impleaded as proper appellant vide order dated
24.11.2025 made in CMP.No.3568/2025 in OSA.No.259/2024]

Vs.

1.M/s.Pachaiyammal Educational Trust,
Represented by its Managing Trustee,
Mr.S.Vengateswaran,
S/o.Sekhar
Door No.9-B, Winding Driver Chinnasamay Street,
Dharmapuri Town,
Dharmapuri Taluk,



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Dharmapuri District.

2.Rajeshwari Sekhar

3.D.C.Elangovan

4.S.Saravanan

... Respondents

[R4 impleaded as party respondent vide order dated
24.11.2025 made in CMP.No.29538/2025 in OSA.No.259/2024]

Prayer: Original Side Appeal has been filed under Order XXXVI Rule 9 of the Original Side Rules, 1994 and Clause 15 of Letters Patent of 1865, praying to set aside the judgment and decree dated 24.10.2024 passed by this Court in C.S.No.51 of 2024.

For 1 st Appellant	: Mr.N.L.Rajah Senior Counsel For Mr.K.Balu
For 2 nd Appellant	: Mr.A.K.Sri Ram Senior Counsel For Ms.Senthoori Pugazendhi
For R1 & R2	: Mr.V.Raghavachari Senior Counsel For N.Umapathi
For R3	: Mr.N.Ramesh
For R4	: Mr.M.S.Krishnan Senior Counsel For Mr.C.Jagadish & Mr.N.C.Ashok kumar



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J U D G M E N T

S.M.SUBRAMANIAM, J.

I. Introduction:

The present original side appeal has been instituted to assail the judgment and decree passed in C.S.No.51 of 2024, granting permission to sell Public Trust properties at S.Nos.290/1 to 290/8, 291/1A to 291/9, 292/1 to 292/18, 293/3 to 293/18, 294/1 to 294/22 and 264/8 at Kattagaram Village, Sriperumbudur Taluk, Kancheepuram District to an extent of 23.51 acres for a sum of Rs.16 Crore.

2. Civil Suit has been instituted by the Public Trust and its Trustee under Order VII Rule 1 and Section 92(f) of Code of Civil Procedure, seeking permission to sell the properties of the Public Trust. No one has been shown as defendant.

II. Background of the Trust:

3. The plaintiff/Trust was founded by Mrs.Saradha Sekhar, via Trust Deed (Document No.74 of 1995 dated 30.10.1995), registered on the file of Joint Sub-Registrar-I, Dharmapuri. Properties were purchased as per the Trust Deed Clauses. After her demise, the present Trustees have taken over the Trust with Supplementary Deeds executed on 28.09.1998,



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registered as Document No.74 of 1998 and on 11.07.2002 vide Document No.123 of 2002. The present Managing Trustee, Mr.S.Venkateshwaran, took charge on 11.08.2018 and as per Supplementary Deed dated 13.04.2022, at present the Board of Trustees are as follows:

- (1)Mr.S.Venkateshwaran – Managing Trustee with life time
- (2)Mr.M.G.Sekhar – Additional Trustee
- (3)Mrs.S.Rajeshwari – Additional Trustee
- (4)Mr.Pradeep – Additional Trustee

III. Facts Relating to the Suit Property and Trial Court Proceedings:

4. The Public Trust is the absolute owner of the suit schedule property. As per plaint, market value of schedule property is Rs.12,34,14,000/-. The schedule properties were purchased in the name of the trust by various sale deeds. Suit has been instituted seeking permission to sell the property to maintain the colleges run by the trust. Thus, plaint has been instituted under Section 92(f) of Civil Procedure Code (CPC). Paper publication has been effected. Registry, Madras High Court invited tenders from the prospective purchasers and received seven sealed covers. The Trial Court passed an order to open the sealed covers and awarded bid in favour of Mr.D.C.Elangovan for sum of Rs.16 Crore. The Trial Court found that the said amount was over and above the value projected by the



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plaintiff.

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5. Pursuant to the order dated 22.10.2024, Trial Court declared Mr.D.C.Elangovan as successful bidder and his bid offer of Rs.16 Crore was accepted. Consequently, the successful bidder was directed to pay 23% of the bid amount initially and the said amount received was recorded. The Trial Court satisfied with the financial capacity of the successful bidder and directed to comply with the sale consideration. The successful bidder produced Demand Draft for a sum of Rs.10 Lakhs in favour of Registrar General, Madras High Court vide D.D.No.594878 dated 24.10.2024 drawing in the Indian Bank, Dharmapuri. Plaintiff/Trust was directed to execute the sale deed for the sale consideration for a sum of Rs.16 Crore within two weeks, failing which the High Court Registry shall execute the sale deed in favour of the successful bidder. The successful bidder initially paid a sum of Rs.4 Crore and thereafter Rs.10 Lakhs. The Trial Court directed payment of the balance and sale deed execution within two weeks, and the suit was decreed accordingly.

IV. Grounds of Appeal by the Appellant:

6. The original side appeal has been filed by Sri Lakshmi Homes Private Limited/1st appellant, claiming that they paid part sale consideration



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and was not even shown as a defendant in the suit. The plaintiff/Public Trust had taken a decision to sell the schedule properties from the sale proceedings to open a new educational institution and to develop the existing educational institution run by the plaintiff/Trust.

V. Allegation Regarding Suppression of Valuation and Market Price:

7. The appellants herein would contend that the plaintiffs filed a valuation report from one M/s.C.Shantha Associates, represented by Mr.Chennakesavan as Document No.39 and it is seen from their valuation report dated 16.07.2022, the total value of the schedule property was shown as Rs.54,46,28,000/-. Contrary to their report filed as plaint document No.39 in paragraph 13 of the plaint, the plaintiff has erroneously stated that the value of the suit schedule properties is Rs.12,34,14,000/-. Thus, the plaintiffs have made a false statement deliberately in the plaint contrary to their own document filed along with the plaint.

8. The appellants would further contend that as per the judgment, paper publication was effected and in pursuance of the publication, bids were received. The 3rd respondent was declared as successful bidder having quoted Rs.16 Crore as sale price. But newspaper publication was



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effected without even mentioning the reserved price. Paper publication was not published in a widely circulated daily. It was published in “Trinity Mirror” “Makkal Kural”, and those newspapers were not widely circulated. None of the mandatory requirement for fixation of the reserve price calling upon the prospective purchasers to deposit 10% of the reserved price as Earnest Money Deposit (EMD) had been followed while conducting the public auction. Even as per the valuation report filed by the plaintiff the market value of the schedule property is Rs.54,46,28,000/-.

9. The appellants would contend that in 2022, the real market value of the schedule property was Rs.72,88,10,000/- (Rs.3,10,000/- per cent). In suppression of real market value of the property, the plaintiffs have obtained an incorrect valuation report and the trust properties have been sold only for Rs.16 Crore. Even the Government guideline value of the schedule property as on April, 2024 was Rs.22,68,90,000/-. Paper publication was effected in September, 2024 without even disclosing the guideline value. The schedule properties have been sold at the price even lower than the guideline value.

VI. Arguments on Behalf of the Appellants:

10. The learned Senior Counsel appearing on behalf of the 1st



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appellant would contend that the High Court, while exercising Parens Partiae jurisdiction under Section 92 of the Code of Civil Procedure, it is the duty mandated to ascertain the real market value of the property. The Trial Court ought not to have accepted the value stated in the plaint as it is, and should have satisfied itself that the schedule property is sold at a fair and honest market price. Even in Court sale under Order XXI Rule 66 of the CPC, public auction sale by Court cannot be made in a routine manner. Thus, any decree obtained by a non-disclosure of necessary facts amounts to a judgment obtained by a fraud.

11. The appellants narrated the following major non-disclosures:

- (a) Though the real market value of the property was Rs.72,88,10,000/- as on the date of the plaint, the plaintiffs managed to obtain a valuation report as if the market value of the property was only Rs.54,46,28,000/-
- (b) After having filed the valuation report as plaint document no.39, they raised a false averment in para 13 of the plaint that, as per the report, the market value was Rs.12,34,14,000/-, which is false on the face of the records, namely, plaint doc no.39.
- (c) The plaintiffs further suppressed the sale agreement entered into by them with the appellant to sell the properties of the Trust



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for a consideration of Rs.72,88,10,000 / - (Rs.3,10,000/- per cent) and the receipt of a sum of Rs.1 crore from the appellant towards advance.

(d) Though the Trust Deed contain a clause empowering the trustees to alienate the property, the Trustees have agreed to execute a sale deed in favour of the appellant after getting due permission from the Court. But the appellant was not even shown as a party in the suit.

(e) In gross suppression of agreement and real market value, the property was sold for a sum of Rs. 16 Crore.

12. The learned Senior Counsel for the appellant would mainly contend that fraud nullifies all solemn acts. It is contended that though the appellant is a third party to the suit, he is an agreement holder and the parties to a suit under Section 92 CPC are not confined to the plaintiff and the defendants, but include all those who have interest in the Public Trust. Market price was not ascertained and no reserve price was fixed. No proper publication of sale was made. None of the mandatory requirement for publication has been followed. Valuation report filed by the Industrial and Technical or Consultancy Organisation of Tamil Nadu Limited (ITCOT) would show that market value of the schedule property is Rs.72,88,10,000/-



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(Rs.3,10,000/- per cent). The appellant is ready and willing to purchase the schedule property for the said price. In the interest of justice, a fresh public auction is to be conducted by strictly complying with the procedures and the established principles. In the present case, the purchaser is not entitled to any equity and alleged expenditure incurred by the 3rd respondent, is not based on any record and deserves no merit consideration. The procedures for conducting public auction has been well settled by the Courts and therefore, the present judgment and decree running counter to law and established principles for conduct of public auction.

VII. Submissions of the 3rd Respondent/Auction Purchaser:

13. The 3rd respondent/auction purchaser would submit that the public auction was conducted inside the Court Hall and in the presence of the Hon'ble Judge. It was conducted transparently by inviting bids through publications and the bids received by the Registrar General, Madras High Court were placed before the Court for consideration. The 3rd respondent further contended that the sale price of Rs.16 Crore is found to be fair and reasonable and in commensuration with market value of the schedule property by the Court during the course of public auction and therefore, any subsequent quote by the appellant is a falasy and need not be considered.



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14. Claim of the appellant that schedule property may fetch to the tune of Rs.72 Crore is inflated, unproven and speculative. After purchase, 3rd respondent invested substantial amount for construction of bridge for road access, land levelling, internal road works, drainage works etc. It is a transaction completed in all respects. Therefore, the fence sitters like the appellant is barred from instituting any further proceedings on a concluded sale. The appellant since not participated during the relevant point of time when the public auction was conducted by the Court and now turn around and say that the sale price fixed by the Court is lesser than that of the market price prevailing in that locality.

15. The learned Senior Counsel appearing on behalf of the 3rd respondent would contend that adequate statutory frame work exists under Section 92 CPC for Court supervise alienation of Trust property. If at all the Court deems it appropriate to frame additional guidelines, the same should operate prospectively and should not affect the concluded transactions. The sale price of Rs.16 Crore was fair, reasonable and based on the actual condition of the schedule property. The sale completed through public auction conducted through Court and consideration paid and registration of sale deed executed. After purchase, the 3rd respondent invested over Rs.3 Crore for improvements, which cannot be invalidated. The sanctity of



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judicial auctions and finality of decrees must be considered by this Court.

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VIII. Submissions of the Respondents 1 and 2:

16. The learned Senior Counsel for the respondents 1 and 2 would mainly contend that the transaction was completed in all respects. Trust was permitted to sell its property. Consequent to the permission, Court conducted auction and the 3rd respondent was the successful bidder. Sale consideration was settled, sale deed executed and the 3rd respondent invested substantial amount for improvement of the property. Under these circumstances, the claim of the appellant deserves no merit consideration and liable to be rejected.

IX. Analysis:

17. This Court had considered the rival submissions made between the parties to the lis.

18. Briefly, the 1st respondent/Public Trust instituted the suit seeking permission to sell its properties. The learned Single Judge granted permission and conducted auction of the Trust property in the Court Hall. Bids were submitted before the Registrar General, Madras High Court, who in turn placed the bids before the learned Single Judge and public auction



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was conducted. The 3rd respondent was the successful bidder. The learned Single Judge recorded auction proceedings in the order impugned.

IX.(A) Statutory Frame Work Governing Sale of Trust Property:

19. Section 92 of CPC deals with Public Charities. Under Section 92(1)(f) of CPC, a decree could be passed authorising sale of trust property. In the present case, Original Side of the High Court is empowered to entertain the civil suit. In the case of sale of Public Trust property, the jurisdiction of the Court is advisory in nature and the Court should endeavour to inquire the market value of the property and the sale must be by way of public auction.

IX.(B) Procedure for Conduct of Public Auction:

Madras High Court Original Side Rules

“ORDER XXXVIII SALE OF PROPERTY UNDER ORDER OF COURT

Public auction to be conducted according to rules of Order XXXIX.

1. Subject to the provisions of Order XXXIX, Rules 38 to 42 inclusive of these rules with respect to the sale of attached property, a sale by public auction of any property, when directed in a suit or matter,



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shall be conducted in manner prescribed by this Order read with Order XXI of the Code.

Certificate of encumbrances.

2. In the case of a sale of immovable property, the applicant shall cause a search to be made in the office of the Registrar of Assurances of the district or sub-district in which the property is situate, or if a previous search has been made in the suit or matter, then from the date to which the same was made, but so that the whole period shall be not less than twelve years: or, if no search has been made, then for a period of not less than twelve years prior to the date of the order for sale.

Sale papers to be filed.

3. The applicant shall, within one calendar month from the date of the order for sale, or such other period as may be fixed by the Court, bring into Court (1) two copies of a proclamation of sale, in Form No.115 or No. 116 (2) an affidavit by himself or by some person acquainted with the property, stating the matters required by Order XXI, Rule 66, sub-rule (2) of the Code, and what, in his opinion, is the best time and place of sale and method of advertising the same, the lots, if any, into which the property should be divided, and the market value of, and reserve price to be fixed



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for, the property or the several lots: (3) if an officer of the Court is not to be appointed, an affidavit as to the fitness of the proposed auctioneer; and (4) in the case of immovable property, a certificate of the result of the search in the preceding rule mentioned and the extract from the register of the Collector mentioned in Order XXI, Rule 14 of the Code, and of the Corporation of Madras, respectively, showing the quit-rent and taxes payable in respect of the property, and what amounts are due in respect of the same and also all title deeds and other documents affecting the property proposed to be sold which may be in the applicant's possession or power.

Manner of sale to be settled by the Registrar.

4. The Registrar shall determine the manner of advertising the sale; and shall fix the date and place of sale. In the event of an objection being raised to the lots, the market value or reserve price mentioned in the affidavit in the last preceding rule, the Registrar shall call upon the party objecting, to file an affidavit in support thereof, and may thereupon consider and dispose of the objection.

An application to amend a proclamation of sale finally settled by the Registrar shall be made to the Master, and notice shall be served on all



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parties interested in the property sought to be sold.

Officers empowered to sell property.

5. Except in the case of attached property, the Official Referee or any other officer of Court appointed by the Registrar shall sell the property. The Court may, under special circumstances, upon the application of a party or suo motu appoint an advocate or other person as Commissioner to sell the property and may fix as his remuneration a sum certain, or a percentage on the net sale-proceeds not exceeding the scale fixed by items 29 and 30 of Appendix II of the High Court Fees Rules.

Order of sale.

6. The copies of the proclamation of sale, if approved by the Registrar shall be signed by him, and he may then order the sale to proceed, or make such order as he thinks fit. If an order for sale is made, and unless otherwise ordered, the further hearing of the suit or matter shall be adjourned to a date not less than thirty days from the day fixed for the sale.

Application for leave to bid.



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7. An application for leave to bid at the sale may be made to the Master supported by affidavit setting forth any facts showing that an advantageous sale cannot otherwise be had: and unless otherwise ordered, an undertaking shall be given by or on behalf of the applicant, that, in the event of his being declared the purchaser of the purchase of the property, or of any lot or lots, he will give credit, or will enter up satisfaction of the decree or order under which the sale is made for a sum not less than the market value of the property or of the lot or lots purchased by him, as determined by the court: Provided that, if there are several decree holders entitled to rateable distribution, the purchase money shall be paid into Court.

Unless otherwise ordered, notice of the application shall be given to the other parties to the suit or matter.

Copies of proclamation, etc., to be furnished.

8. The Registrar shall deliver to the Official Referee or other officer of the Court or to the Commissioner as the case may be, one of the said copies of the proclamation of sale, and a certified copy of the decree or order for sale, and



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the same shall be authority for the sale; and it shall not be necessary to take out a warrant of sale.

Report of sale and deposit of sale proceeds.

9. The Commissioner shall conduct the sale in the manner prescribed by the Code for the sale of attached property and shall pay into Court any deposit or sale moneys as soon as they are received by him.

Upon the completion of the sale, the Commissioner appointed to sell the property shall file in Court a report of the sale.

Power of Court to compel Commissioner to pay interest if he commits default to bring in the sale money.

10. Where it appears that the Commissioner conducting the sale has failed, without sufficient cause, to bring in the money deposited, the Court may disallow his commission and compel him to repay or restore the money with interest not exceeding twelve per cent per annum, and may pass such other orders as the Court may think fit.

Application of sale-proceeds and issue of sale



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certificate or deed of assignment.

11. At the adjourned hearing referred to in rule 6, the court may pass an order directing the payment to the applicant of the expense of the sale, and to the Commissioner of his commission, if any, and providing for the application of the balance of the sale-proceeds.

If the sale of immovable property is confirmed by the Court, an order confirming the sale shall be drawn up. The purchaser shall, within the time limited by the conditions of sale, or such period as may be allowed by the Court in the case of immovable property, bring into Court a draft of the certificate of sale and the case of movable property in respect which an instrument of transfer is required, a draft deed assignment or transfer of the property, as the case may be; and the same, if approved by the Registrar, shall be signed by him in the margin as approved, and the purchaser shall bring into Court two copies of the said documents, one of which shall be on duly stamped paper. The certificate or sale or deed of assignment shall be signed by the Registrar or by the person directed to convey the property as the case may be.

Application to set aside sale.

12. If the sale is set aside under Order XXI,



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Rule 90 of the code, the Judge shall determine whether any and what party is responsible therefor, and may order such party to pay the costs of the sale and may pass an order for re-sale of the property and give the conduct of the re-sale to any other party.

Further conduct of sale in case of default by the applicant for sale.

13. If at any time it is made to appear to the Court that any party who applied for the sale has failed to comply with any order of the Court, or any of the provisions of the Code, or of these rules, or is not proceeding with due diligence the Court may make such orders as to the further conduct of the sale and the costs thereof, as the Court thinks fit.

SALES BY THE OFFICIAL REFEREE

Sales by Official Referee to be by public auction-Charges for attending sale to be deposited.

14. Unless otherwise ordered by Court, all sales by the Official Referee shall be by public auction and in cases of immovable property the sale shall be held at the premises.



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If the Official Referee under an order of the Court attends to conduct a sale or to inspect a property out of the Court-house, a fee of¹ [Rupees two per kilometer or part kilometer for the total distance] covered from the Court-house to the place of sale or inspection and back to the Court-house shall be deposited into Court by the applicant for sale or by the person at whose instance the inspection of the property is required.

Notice of application for stay of sale, etc., to be given to Official Referee.

15. Notice of all applications for stay of sale, or for the postponement of a sale and notice of any settlement out of Court, shall be given to the Official Referee.

Book for Referee.

16. The Official Referee shall keep a book in which he shall enter the name of each bidder and the bid offered by him.

Certificate of sale by the Official Referee

17. Unless otherwise ordered, the deposit in the case of immovable property and the whole of the purchase money in the case of movables shall be paid to the Official Referee who shall

¹ Substituted for the words “annas eight per mile or part of a mile for the total mileage” by R.Dis.No.86/94, pub. in T.N.G.Gaz.,Pt.III, S.2, dt. 5.10.1994.



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thereupon grant a certificate to the purchaser in the following form:-

"I declare A B to be the purchaser of itemin the proclamation of the sale for Rs..... and I have received from him Rs..... the deposit or the purchase money payable in respect of such purchase".

Particulars of Sale Certificate.

18. The Official Referee shall, as soon as possible after the sale, certify the result to the Registrar. Such certificate shall contain the date of sale, the names of the bidders and their bid, the purchaser and the highest bid and shall set out the objections, if any, taken by any party at the time of the sale and the result.

Payment of balance of sale price into Court by the purchaser.

19. The purchaser shall pay the balance of the purchase money into Court. Applications to receive payment shall be accompanied by the certificate of the Official Referee and the rules of the Original Side relating to payment of moneys



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into Court shall apply to such payments.

Official Referee to deposit monies into Court.

20. The Official Referee shall, as soon as possible, pay into Court the deposit or purchase money received by him at the time of the sale.”

IX.(C) Procedural Irregularities in the Conduct of Auction:

20. In respect of the above established procedures for conduct of public auction, impugned order would show that the procedures as contemplated were not followed in the present case. Auction itself was conducted inside the Court Hall in the presence of the Hon'ble Judge, which is neither desirable nor contemplated under law. Court may pass orders for conduct of public auction, but the Court is not expected to act and conduct public auction. The power of the Court is limited to grant permission to sell the trust property by appointing an Officer of Court to conduct public auction, which must be done by scrupulously following the established principles and procedures recognised under law and through judicial precedents.

IX.(D) Supervisory Role of the Court in Public Auction:

21. It has been observed in paragraph 5 and 6 of the impugned order that



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“5.....For the purpose of maintenance of the Colleges run by the Trust, they seek permission to sell the property. The Plaint is one under Section 92(f) of CPC, and therefore, necessary paper publication has been effected. Thereafter, the Registry has invited tender from the prospective purchasers and received seven sealed covers and the matter was posted before this Court on 22.10.2024. A detailed order was passed by this Court as to the opening of the sealed cover and award of the bid in favour of one Mr.D.C.Elangovan for a sum of Rs.16,00,00,000/-, which is more and over than the Plaint value as projected by the Plaintiff assumes significance.

6.Pursuant to the order dated 22.10.2024, wherein this Court has declared one Mr.D.C.Elangovan as successful bidder and his bid offer was accepted provisionally. In order to find out whether he has financial capacity to comply with the bid as quoted in the bid letter, this Court has directed the successful bidder, who was provisionally selected viz., Mr.D.C.Elangovan to produce 25% of bid amount. Accordingly, today (25.10.2024), M.R.Franklin, learned



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counsel, who filed vakalat on behalf of the successful bidder has produced five Demand Drafts drawn in the name of M/s.Pachaiyammal Educational Trust, Dharmapuri viz., Plaintiff to the tune of Rs.80,00,000/- each (totally Rs.4,00,00,000/-). Since the original Demand Drafts are produced before this Court, the same is hereby recorded, then returned to the learned counsel for the successful bidder, Copy of the same was received by way of memo and kept in file.”

22. A perusal of the impugned order raises several questions in the mind of this Court, which were put forth to the counsels. Most pertinently, the initial questions that aroused were as follows:

- (1)Whether the High Court can sit in the seat of an auctioneer and conduct a public auction?
- (2)Whether Code of Civil Procedure or the Madras High Court Original Side Rules explicitly contemplates such procedure?
- (3)If the place of public auction is the Court hall and the Court plays the role of an auctioneer, would the right of the parties to the proceedings to challenge the auction be jeopardised in any manner?
- (4)Can a Court of law act as a witness to a public auction?



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IX.(E) Guidelines for Public Auction:

23. Therefore, this Court found it appropriate to delve into relevant provisions of Code of Civil Procedure, 1908, the Indian Trusts Act, 1882 and High Court Original Side Rules, 1994, to ascertain the correct position of law and the proper role of Courts in relation to the conduct of public auction.

24. Section 92 of CPC deals with “Public Charities”. As much as judicial supervision plays pivotal role in accordance with Section 92 of CPC, such supervision cannot take the shape of judicial participation or holding Courts/Judges in the position of witness to a public auction.

25. Order XXXVIII Madras High Court Original Side Rules details sale of property under the Orders of Court. Rule 1 says the sale by public auction of any property, when directed in a suit or matter shall be conducted in the manner prescribed by this Order read with Order XXI of the Civil Procedure Code. Under Rule 4, the Registrar shall determine the manner of advertising the sale and shall fix the date and place of sale. The proclamation of sale will be settled by the Registrar. Under Rule 5, the Registrar or any other Officer of the Court shall conduct the sale. The Court may, under special circumstances, upon application of a party or suo-motu,



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appoint an advocate or other person as Commissioner to sell the property.

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26. A reading of the Rules reveal that the Courts are empowered to exercise a supervisory jurisdiction over the public auction conducted. But a clear line can be drawn from a bare reading of the Rules whereby the Courts cannot assume role of an auctioneer but can merely supervise the fair conduct of public auction.

27. In the instant case, the contents of impugned order reveal the Court has not merely supervised but had participated in the bid process by assuming the role of an auctioneer. Court halls are not places to conduct public auction. If Court assume the role of auctioneer, then parties to the auction will be prejudiced from exhausting their rightful legal remedies before Courts of law.

28. The Code of Civil Procedure as well as Madras High Court Original Side Rules specify procedures allowing Courts to exercise supervisory jurisdiction only. A restraint on the part of the Courts is required in matters pertaining to conduct of public auction. The duty of the Courts is refrained to ensuring and supervising fair conduct of public auction. No further interference in auction process is required or mandated under the relevant Rules.



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29. The Madras High Court Original Side Rules is clear in its terms that the Court shall ensure the correct market value through a Court appointed Officer or Officers authorised by the Court. But in the present case, it is evident from Paragraph Nos.(6) & (7) of the impugned order that the Court itself has assumed the role of an auctioneer.

Conclusion:

30. Neither the Code of Civil Procedure nor the Madras High Court Original Side Rules allow the Court itself to engage in auction process. They provide only for judicial supervision, which cannot be interpreted as authorising the conduct of public auction within the Court Hall by the Court.

31. In view of the discussion made above, the impugned judgment and decree dated 25.10.2024 passed in C.S.No.51 of 2024 is set aside. Consequently all subsequent acts including execution of sale deed made between the parties in pursuance to the auction conducted in the Court Hall are also declared as null and void. The matter is remitted back to the Trial Court to pass appropriate orders for conduct of a public auction, in



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accordance with law. Thus, the present Original Side Appeal stands allowed. The connected Miscellaneous Petitions are closed. There shall be no order as to costs.

[S.M.S., J.] [M.S.Q., J.]
17.12.2025

Index : Yes / No
Speaking order / Non-Speaking Order
Neutral Citation : Yes / No

Jeni



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S.M.SUBRAMANIAM, J.
and
MOHAMMED SHAFFIQ, J.

Jeni

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17.12.2025