



CWP-12651-2022 (O & M) -1-

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

111+336 CWP-12651-2022 (O & M)

Reserved on	Pronounced on	Uploaded on	Whether only the operative part of the judgment is pronounced	Whether the full judgment is pronounced
09.04.2026	08.05.2026	08.05. 2026	Yes/No	Yes/No

PRITPAL SINGH AHLUWALIA ...PETITIONER

VERSUS

STATE OF PUNJAB AND OTHERS ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE YASHVIR SINGH RATHOR

Present: None for the petitioner.

Mr. A.S. Khara, Sr. DAG, Punjab.

Mr. Rahul Chadha, Advocate for
Mr. Shekhar Verma, Advocate for respondent No.3.

SUVIR SEHGAL, J.

1. This petition has been filed, *inter alia*, for issuance of a writ of mandamus directing respondents to issue allotment letter to petitioner regarding shop-cum-flat No.30-A, measuring 100 square meters in 8.64 Acre Scheme floated by Improvement Trust, Batala, (for short “the Trust”) and for quashing impugned order dated 15.02.2022, Annexure P-7, passed by the Director, Local Government, whereby Improvement Trust has been asked to auction the property afresh.

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2. Facts, in brief, leading to filing of the petition, are that Improvement Trust, Batala, auctioned shop-cum-flat No.30-A measuring 100 meters in 8.64 Acre Scheme on 01.12.2021 along with other properties. The reserved price of the plot was fixed at Rs.31,200/- per square meter and petitioner offered a bid of Rs.50,050/- per square meter. Petitioner deposited 25% of sale consideration as well as 4% cess and was issued receipts, Annexures P-1 to P-3. Simratpal Singh offered highest bid at the rate of Rs.77,000/- per square meter, but he did not deposit 1/4th of bid amount and breached the terms and conditions of auction. Trust forfeited the earnest money and by resolution No.53 dated 04.03.2020, Annexure P-4, proposed to allot the property to the petitioner on deposit of price at Rs.77,000/- per square meter. Vide impugned order dated 15.02.2022, Annexure P-7, Government rejected the proposal and advised the Trust to initiate proceedings to sell the shop-cum-flat through a fresh auction.

3. Upon notice, writ petition has been contested by respondents by taking a stand that property cannot be allotted to petitioner as he is the second highest bidder. It has been stated that decision to re-auction property has been taken in financial interest of the Trust. It has also been stated that bid was substantially lower than highest bid in previous auction and approving it would not be in the financial interest of the Trust.

4. We have examined the respective stand of the parties as well as heard counsel for respondents.

5. It is a settled legal position that even if a public auction has been completed and petitioner is highest bidder, no right accrues to him till the confirmation letter is issued. Confirmation of the highest bid is subject to



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its acceptance by the auctioning authority, which reserves with itself the right to reject any bid including the highest bid. Reference in this regard may be made to the observations of the Hon'ble Supreme Court in **Laxmi Kant and others Vs. Satyawani and others (1996) 4 SCC 208**. Bid can be rejected by the Government in the interest of public revenue. A bidder does not acquire any right nor any right vests in him merely because he is the highest bidder and has made an initial deposit. In **Haryana Urban Development Authority and others Vs. Orchid Infrastructure Developers Private Limited (2017) 4 SCC 243**, Supreme Court has held that there can be no concluded contract in the absence of acceptance of bid and highest bidder cannot seek a declaration for issuance of an allotment letter. In **Sanjay Garg and another Vs. State of Haryana and another** (CWP-29916-2019 decided on 29.11.2019), a Division Bench of this Court came to the conclusion that an auction is conducted for generation of revenue and if the competent authority has come to a conclusion that acceptance of highest bid would cause a loss of revenue, it is a valid ground for rejection of highest bid, unless it is shown that the decision is *mala fide* or is actuated by extraneous consideration. Similar view has been expressed by another Division Bench of this Court in **Rohit Garg Vs. State of Haryana and others 2021 (2) PLR 306**.

6. Adverting to the facts of the present case, it is evident that petitioner is not even the highest bidder. The highest bidder was Simratpal Singh, who failed to deposit 25% of the bid amount. Simratpal Singh went to extent of filing a civil suit, which was dismissed by the Trial Court.

Petitioner is second highest bidder and cannot claim that his bid should be

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accepted and an allotment letter be issued to him. After examining the matter, respondent authorities have formed an opinion that acceptance of bid given by petitioner would not be a prudent financial decision as the property could fetch a much higher price in the market. A decision was, therefore, taken to put property to auction afresh. No fault can be found in the reasoning given by authorities for not accepting the petitioner's bid. Applying the principles of law laid down by the Courts as noticed in the preceding paragraph, this Court does not find any reason to interfere with the decision taken by the respondents.

7. For the afore-going reasons, this Court does not find any merit in the petition, which is dismissed, though with no order as to costs.

(SUVIR SEHGAL)
JUDGE

(YASHVIR SINGH RATHOR)
JUDGE

08.05.2026
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Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No