

(1998) 10 AP CK 0006

Andhra Pradesh High Court

Case No: Writ Petition No. 29088 of 1998

E. Krishna Reddy

APPELLANT

Vs

Fisheries Development Officer
(Extension), Buchireddypalem,
Nellore District and others

RESPONDENT

Date of Decision: Oct. 21, 1998

Acts Referred:

- Constitution of India, 1950 - Article 14

Citation: (1998) 6 ALD 341 : (1998) 6 ALT 185

Hon'ble Judges: S.R. Nayak, J

Bench: Single Bench

Advocate: Mr. S.R. Ashok, for P. Vasudeva Reddy, for the Appellant; Government Pleader for Fisheries, for the Respondent

Judgement

@JUDGMENTTAG-ORDER

1. Rule nisi. Learned Government Pleader for Fisheries took notice for respondents. The writ petition was heard finally with the consent of the learned Counsel for the parties.

2. The 1st respondent issued notification dated 1-9-1998 in RC No.7 of 1998 proposing to hold public auction of lease hold rights of fishing in Kanigiri - Duvvuru reservoir, Bucchireddypalem, Sangani Mandal, Nellore District, for the Fasli year 1408 ending on 30-6-1998. The auction was held on 16-9-1998 at 2 p.m. in the office of the 2nd respondent at Nellore. In pursuance of the aforesaid notification, six persons offered their bids; the petitioner offered highest bid of Rs.5.75 lakhs. The 1st respondent declared the petitioner as the highest bidder in the auction and called upon the petitioner to deposit 1/4th of the bid amount in terms of Condition No.5. The petitioner deposited a sum of Rs. 1.44 lakhs on the same day. According to the petitioner, even as he was making preparation for the balance amount and

enter into contract, the 2nd respondent was taking steps to reauction the same on 22-9-1998. Therefore, the petitioner filed WP No.26765 of 1998 before this Court. However, it appears that the auction was not conducted on 22-9-1998. There afterwards, the 2nd respondent issued a communication dated 11-10-1998 informing the petitioner that the District Collector has cancelled the public auction dated 16-9-1998 in view of the offer of Rs.6.00 lakhs and deposit made by somebody and returned 1/4th of the bid amount deposited by the petitioner. Hence this writ petition, seeking for a direction to the respondents-authorities to confirm the auction dated 16-9-1998 in favour of the petitioner in respect of the lease hold rights to cause fishing in Kanigiri - Duvvuru reservoir in pursuance of the tender notice dated 1-9-1998 and pass such other order or orders as this Court deem fit in the facts and circumstances of the case.

3. Sri S.R. Ashok, learned senior Counsel appearing for the petitioner, contended that the action of the District Collector in cancelling the auction dated 16-9-1998, in the facts and circumstances of the case, smacks of arbitrariness and unreasonableness, and it is not in the interest of the Department also; the action should be condemned as violative of Article 14 of the Constitution of India. As could be seen from the impugned endorsement issued to the petitioner dated 11-10-1998, the District Collector cancelled the auction dated 16-9-1998 acting under Condition No.6 of the auction notice dated 16-9-1998. The petitioner has produced a copy of the auction notice dated 1-9-1998. Condition No.6 provides that the District Collector shall have the power to cancel the auction without assigning any reason. Of course, acting under Condition No.6, the District Collector cannot act arbitrarily and unreasonably and he has to satisfy the requirement of Article 14 of the Constitution. The reason for cancelling the auction dated 16-9-1998 is set out by the District Collector. The only reason which weighed with the District Collector in cancelling the auction dated 16-9-1998 is a better offer for lease hold rights. Therefore, the only question which arises for consideration of the Court is whether the reason given by the District Collector can be said to be a germane and relevant consideration to the exercise of the power reserved to him under Condition No.6 of the tender notification dated 1-9-1998 or not.

4. In my considered opinion, it cannot be said that the reason given by the District Collector to cancel the auction dated 16-9-1998 is arbitrary. On the other hand, it is intended to safeguard the interest of the department. It is not true in pursuance of the auction held on 16-9-1998, an agreement was executed between the parties creating binding contractual relationship between the parties. Before that was done, a higher offer was made to the District Collector and the District Collector thought that the disposal of the lease hold rights by conducting fresh auction would fetch more revenue to the Department, and on that basis if he cancels the auction conducted on 16-9-1998, it cannot be said that the action of the District Collector smacks of arbitrariness or unreasonableness. It is quite often stressed by the Courts that when the State and public authorities part with their largesse, they should get

the maximum return for the largesse so parted with. Before the conclusion of the contract between the parties, if the Governmental authorities receive a higher offer, it is but reasonable for them to think in terms of the best interest of the Department.

5. In the result, the writ petition is dismissed. No cost.