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K. Vimal Raj Vs The Executive Engineer and Administrative Officer and The Manager (Marketing and Services), K.K. Nagar Division, Tamil Nadu Housing Board

Writ Petition No. 5579 of 2008 and M.P. No. 1 of 2008

Court: Madras High Court

Date of Decision: Aug. 10, 2009

Acts Referred:

Constitution of India, 1950 â€" Article 14, 226

Hon'ble Judges: M.M. Sundresh, J

Bench: Single Bench

Advocate: M. Rajasekhar, for the Appellant; A. Vijayakumar, for the Respondent

Final Decision: Dismissed

Judgement

@JUDGMENTTAG-ORDER

M.M. Sundresh, J.

The writ petition has been filed challenging the orders passed by the respondents wherein the auction conducted in

favour of the petitioner has been cancelled.

2. The writ petitioner participated in the auction conducted by the respondents on 30.10.2007. The said auction was conducted in pursuance of an

advertisement made by the respondents on 01.10.2007. The petitioner became the successful bidder and made the required payment in-person to

the auction. Thereafter, the second respondent rejected the confirmation and returned the amount deposited by the petitioner and an order was

passed on 10.01.2008 by the second respondent cancelling the auction on the ground that the bid amount is very low and that they have decided

to go for re-auction.

3. The learned Counsel for the petitioner submitted that a perusal of the auction notice as well as the re-auction notice would indicate that the very

same amount has been fixed both for auction and re-auction as upset price. The learned Counsel further submitted that in so far as the allotment of

plots R32 to 37 are concerned, they have confirmed that re-auction in favour of one Sivaraj. The learned Counsel submitted that the reason

assigned in the impugned order is not true and hence the same has to be set-aside. The learned Counsel also relied upon a judgment of the Apex

Court reported in 2006 (8) Supreme 762 (Rajasthan Housing Board v. G.S. Investments and Anr.) in support of his contentions and submitted

that the Court should always keep the larger public interest in mind and has to pass appropriate orders.

4. Per contra, the learned Counsel for the respondents submitted that as per the agreement between the parties, the petitioner has to abide by the

terms and conditions mentioned in the application. The learned Counsel also relied upon Clauses 10 and 11 of the said terms and conditions in

support of his contention and submitted that the bid amount is only to ensure earnestness on the part of the bidder and it will not confer any right to

claim confirmation of the same and it is further stated that the respondents can reject the same even assigning without any reasons. The learned

Counsel further submitted that no right is created for entertaining the above writ petition, since it is always open to the respondents to accept the

offer made by the petitioner.

5. As submitted by the learned Counsel for the respondents, in the absence of any concluded contract between the parties, this Court sitting under

Article 226 cannot exercise its jurisdiction. Admittedly, in the present case, the auction has not been confirmed. The sufficiency of the amount

fetched in the auction has to be fixed by the respondents and this Court cannot interfere with the same. The petitioner does have any vested or

legal right to challenge such an auction of the respondents. Further, as rightly contended by the learned Counsel for the petitioner, being the party

to the terms and conditions and after accepting the same by participating in the auction, the petitioner cannot go against the same and say

cancellation is bad in law.

6. Clause 11 of the terms and conditions of sale specifically provides for the cancellation of the sale before confirmation. The respondents have

exercised the said power, in view of the said condition by taking into consideration of the decision made by the auction sale confirmation

committee. Hence the contention of the learned Counsel for the petitioner cannot be accepted.

7. Further the judgment relied upon by the counsel for the petitioner reported in 2006 (8) Supreme 762 (referred to supra) also supports the case

of the respondents. In the above said case, the Hon"ble Supreme Court was pleased to hold that unless the auction is confirmed the writ petitioner

does not have any right to challenge the same. The Supreme Court further held that the public interest should always be taken into consideration

only from the point of view of the respondents and not from the petitioners. Therefore, taking into consideration of the above said aspects, this

Court is of the opinion that the judgment relied by the learned Counsel for the petitioner does not apply to the present case on hand

8. In so far as the contention that Plot No. R-22 and 79 alone are confirmed which rejecting the other bids, it is seen from the records that each

plot is having definite location and extent. Therefore the potential value of the each plot cannot be ascertained by this Court. Further, the person in

whose favour confirmation was made is also not before this Court. Moreover the established principle of Law under Article 14 of the Constitution

of India is positive in nature. Even assuming that there is some irregularity committed by the respondents in favour of the third party, it cannot be

taken advantage of by the petitioner, especially when re-auction is sought on the ground of insufficiency of the bid amount. Hence considering the

above said facts and circumstances, this Court is of the opinion that the writ petition is liable to be dismissed. Accordingly, the same is dismissed.

Consequently the connected MP is closed.