

(2000) 10 KAR CK 0019
In the Karnataka High Court
Case No : Writ Petition No. 17232 of 2000 (LB)

B. Jaya Kumar and Others

APPELLANT

Vs

The Deputy Commissioner, Mandya District and Others

RESPONDENT

Date of Decision : 10-10-2000

Acts Referred:

Constitution of India, 1950 — Article 226

Citation : (2000) 8 KarLJ 525

Hon'ble Judges : V. Gopala Gowda, J

Judgement

1. Mr. Padmanabhan, learned High Court Government Pleader is directed to take notice on behalf of respondent.

2. The petitioners are seeking to quash the impugned order at Annexure-E, dated 14-2-2000 passed by the Deputy Commissioner, Mandya, accepting the final bid of 2nd respondent in respect of Shop No. 20 in the public auction held on 25-1-2000. The principal contention is that the resolution passed by the 2nd respondent refusing to accept the said bid was perfectly justified and the Deputy Commissioner has no authority in the matter while according approval under the provisions of the Karnataka Municipalities Act, 1964. The other contention is that since the property is sold to the highest bidder in public auction, the 2nd respondent-Council has the power either to accept or reject the highest bid.

3. In this case, after the public auction, a resolution has been passed to confirm the bid in respect of Shop Nos. 1 to 18 and not to confirm the bid in respect of Shop No. 20 even though it is the highest bid. The reason assigned is that, in respect of other shops the highest bid amount was Rs. 7,000/- whereas in respect of Shop No. 20, which has got higher dimension, it is Rs. 6,700/- which is lesser than the bid amount of other shops. This aspect was not considered by the first respondent. When the Council applied its mind to this relevant aspect and found that the bid was inadequate when compared to other shops, the resolution was passed not to accept the bid in respect of Shop No. 20.

4. It is to be noted that a bidder will not get the right of auction merely because

he is the highest bidder unless the bid is confirmed. It is always open to the authorities either to accept or reject the bid, even if it is highest, for valid reasons. In the instant case the refusal to confirm the highest bid in respect of Shop No. 20 is for a valid reason and no fault can be found with it. The Deputy Commissioner passed the impugned order at Annexure-E accepting the bid in respect of all the shops merely on the ground that the public auction was conducted in accordance with law. He has failed to apply his mind to the reasons assigned by the 2nd respondent for not accepting the bid in respect of Shop No. 20 for valid reasons. Therefore, the said order of the Deputy Commissioner is liable to be quashed.

5. Writ petition is allowed and the impugned order at Annexure-E stands quashed only insofar as it relates to the bid of 3rd respondent in respect of Shop No. 20. The 2nd respondent is at liberty to re-auction the said shop. The petitioner is at liberty to participate in the re-auction or seek refund of the bid amount, if any, paid by him to the Municipal Council.