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**(1993) 03 P&H CK 0018**  
**In the Punjab And Haryana At Chandigarh**  
**Case No : Civil Writ Petition No. 11390 of 1992**

Kartar Singh

APPELLANT

Vs

Patiala Improvement Trust

RESPONDENT

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**Date of Decision :** 15-03-1993

**Acts Referred:**

Constitution of India, 1950 — Article 226

**Citation :** (1993) 2 ILR (P&H) 325 : (1994) 108 PLR 542

**Hon'ble Judges :** R.S. Mongia, J

**Bench :** Single Bench

**Advocate :** Kartar Singh, for the Appellant; P.S. Gill, Executive Officer, for the Respondent

**Final Decision :** Allowed

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## Judgement

R.S. Mongia, J.—On the last date of hearing the Misc. Application was adjourned to today and I had told the parties that I will be hearing the main case on the adjourned date. Consequently, I have heard the parties in the main case also.

2. The respondent, Improvement Trust, Patiala had published a proclamation for auction of some sites for shop-cum-flats, booths in Shaheed Sewa Singh Thikriwala Nagar Scheme, Truck Stand Scheme, Gurdwara Dukh Niwaran Sahib Scheme and Chhoti Barandari Scheme, Patiala. The reserve price fixed for the shop-cum-flat sites in Shaheed Sewa Thikriwala Nagar Scheme was Rs. 1,25,000/-. On 26th June, 1992, when the auction took place, four show-room sites were auctioned in the development Scheme of Chhoti Barandari and two shop-cum-flat sites Nos. 1 and 2 were sold by auction of Shaheed Sewa Singh Thikriwala Nagar Scheme. For shop-cum-flat sites Nos. 1 and, 2 the petitioner was the highest bidder, the price offered being Rs. 2,40,000/- and Rs. 2,01,000/- respectively. These highest bids for both the plots were accepted and as per the terms and conditions, the petitioner deposited 1/4th of the piece so offered. The Trust, however, vide its Resolution No. 772, dated 6th July, 1992, did not approve the bids in favour of the petitioner. It is this resolution of the Trust that has been

impugned in the present writ petition.

3. It is mentioned in the impugned resolution (Annexure P-4) that earlier auction had taken place in the same Scheme on 29th January, 1992. and 28th February, 1992. On 29th January, 1992 for the similar shop-cum-flat sites, the minimum price fetched was Rs. 1,65,000/- and maximum Rs. 2,63,000/- and the maximum was Rs. 2,81,000/-. It is not disputed that the minimum and maximum bids in respect of shop-cum-flat sites on 29th January, 1992 and 28th February, 1992 (the figures have already been given above) were approved by the Trust. In the Resolution, dated 6th July, 1992, the Trust has not given any reasons as to why the bids of Shop-cum-flat sites No. 1 and 2, which were Rs. 2,40,000/- and Rs. 2,01,000/- respectively, were not being approved.

4. It has been averred in the petition and not denied by the respondents that Shri Harkesh Singh Sidhu, Chairman of the Trust and Deputy Director, Local Bodies, Punjab, Chandigarh and Shri P.S. Gill, Executive Officer of the Trust and Sub Registrar Patiala, as a nominee of the Deputy Commissioner, Patiala, were present at the time when the auction took place. It is not the case of the respondents that there was any flaw or irregularities in the conduct of the auction. As observed above, the reserve price of the Shop-cum-flat sites was fixed at Rs. 1,25,000/-. The highest bids of Rs. 2,40,000/- and Rs. 2,01,000/- respectively of shop-cum-flat sites No. 1 and 2 were much higher than the reserve price. If the bids less than the maximum price, which was fetched by the similar shop-cum-flat sites in the earlier auction held on 29th January, 1992 and 28th February, 1992, were not to be accepted, then there was no question of fixing the reserve price at Rs. 1,25,000/-. In the earlier auctions held on 29th January, 1992 and 28th February, 1992, a bid of Rs. 1,65,000/- was also accepted. Apart from this, the Officers conducting the auction, which included the Chairman of the Trust, accepted the bid at the spot and got 1/4th price deposited. If the reserve price was fixed at a figure which was the highest bid in the last auction then it could possibly be said that the price offered at the time of the impugned auction was lower than the reserve price. The price offered was even more than the average price fetched by the similar shop-cum-flat sites in the last auction. Simply because, later on if a fresh auction is held, the property may fetch a little more price, cannot be a ground, without anything more, to set aside the auction or not to approve the auction. If this is allowed, perhaps no auction would be approved, as normally if the same property is put to auction a little later, it may fetch a little more price.

5. The petitioner, who is present in person, however, has offered so as to avoid any further litigation in the matter, a sum of Rs. 2,85,000/- each for shop-cum-flat sites No. 1 and 2, which is more than the maximum price which was offered for similar shop-cum-flat sites in the auctions held on 29th January, 1992 and 28th February, 1992. As observed earlier, the impugned auction was held in which the maximum price of similar shop-cum-flats was Rs. 2,81,000/-. Under the circumstances, I consider the offer made by the petitioner to be reasonable

as he had offered Rs. 84,000/- more for shop-cum-flat site No. 1 and Rs. 45,000/- more for shop-cum-flat No. 2 that the highest bids he had made for these plots, which were accepted in the auction held on 26th June, 1992.

6. For reasons recorded above, the taking into consideration the offer made by the petitioner, the writ petition is allowed and the Resolution of the Trust, dated 6th July, 1992 (Annexure P-4) is set aside and the Respondent-Trust is directed to offer shop-cum-flat sites No. 1 and 2 in Shaheed Sewa Singh Thikriwala Nagar Scheme, to the petitioner at Rs. 2,85,000/- each and the possession be delivered to him in accordance with law, after the petitioner has completed all legal formalities. However, I make no order as to costs.