
(1991) 07 P&H CK 0031
In the Punjab And Haryana At Chandigarh
Case No : Civil Writ Petition No. 2167 of 1983

Krishna Devi

APPELLANT

Vs

State of Punjab and anr.

RESPONDENT

Date of Decision : 09-07-1991

Acts Referred:

Citation : (1992) PLJ 417 : (1993) 1 RRR 31

Hon'ble Judges : J.L.Gupta, J

Advocate : T.S. Dhindsa, A.A.G. Punjab., Sher Singh Rathore, Advocates., Arun Nehra, Advocates for appearing Parties

Judgement

J.L. Gupta, J.—The petitioners, who had purchased plots from Municipal committee, Rajpura in an open auction on May 27, 1980, are aggrieved by the action of the respondents in not handing over the possession of the plots and approving the plans submitted by them. The brief resume of facts would suffice.

2. The property described as Garden No. 4 which is adjacent to the residence of the SubDivisional Magistrate, Rajpura on Patiala Road vested in the Notified Area Committee, Rajpura. On the constitution of the Municipal Committee, Rajpura, the property came to vest in respondent No. 2. Vide resolution, dated January 21, 1980, the Committee resolved that plans for construction of shopcumflats be got prepared from a qualified Architect. It further resolved that the plots be sold by public auction. On March, 11, 1980, the Deputy Director (Local bodies) conveyed the sanction to the auction of the plots subject to the condition that the price be got approved from the Collector, Patiala. Necessary approval was accorded by the Collector vide his order dated May 6, 1980. A copy of this approval is at Annexure P6. Thereafter, public notices were issued in the daily newspaper "The Tribune" dated May 9, 1980 and May 10, 1980 and various other newspapers, informing the public that the auction of the plots for construction of shopcumflats will be held on May 27, 1980. The auction was actually held in the presence of the S.D. M. Rajpura, Deputy Director (Local Bodies) and the Executive Officer, Municipal Committee, Rajpura. 11 plots were

auctioned @ about Rs. 400.00 per square yard. In accordance with the terms of notice, the price was payable in instalments. Petitioner No. 1 paid the entire amount of Rs. 91,561/ in lumpsum and a registered saledeed was executed in her favour on July 31, 1980. It is averred that the possession of the plot was given to her. The other petitioners deposited 25 per cent of the price of plot as announced by the respondents at the time of auction. The petitioners have averred that they have submitted plans for construction of shopcumflats on the plots purchased by them. The Committee had refused to sanction the plans or to accept the instalments offered by them. It is averred that the decision of the Committee to auction the plots was in consonance with the instructions dated December 12, 1977 issued by the Government. A copy of these instructions has been produced as Annexure P.8. The petitioners having failed to get the requisite relief from the respondents, they have approached this Court through the present petition. The action of the Committee in not approving the plans and in not accepting the remaining instalments on the pretext of certain instructions from the State Government has been challenged on various grounds raised in the writ petition.

3. A written statement has been filed on behalf of respondent No. 2. The reference has been made to a decision taken in the meeting held on August 14, 1980 wherein it is alleged to have been inter alia decided that the Municipal committee shall not issue saledeeds in respect of the plots already sold on May 27, 1980. Rest of the averments have been broadly admitted.

4. In fact, Mr. Dhindsa appearing on behalf of respondent No. 1 has produced a photocopy of letter dated September 5, 1983 from the Under Secretary to the Government of Punjab, Department of Local Government, to the Advocate General stating inter alia that the State Government is a proforma party and as such no written statement is to be filed on its behalf. A copy of this letter has been placed on record as "Mark A".

5. Mr. Arun Nehra appearing for the petitioners has raised a two fold contention. He submits that the action of the respondents is totally arbitrary and as such violative of the provisions of the Article 14 of the Constitution. He has further submitted that on the faith of the action of the respondents the petitioners had paid the requisite amount of money and had not bought property elsewhere. According to the learned counsel, the respondents are now bound to sanction the plans and carry out their obligations by virtue of the principle of promissory estoppel.

6. A perusal of the record show that the Committee had issued a public notice, which appeared in the press on May 10, 1980. Members of the publicize were invited to participate in the auction for the sale of plots. Mode of the payment was also prescribed. A copy of this notice is at Annexure P.7. The petitioners had accordingly participated in the auction and deposited the requisite amount of money Petitioner No. 1 had in fact deposited the full price in lumpsum. Even a saledeed was executed in her favour. the remaining petitioners have already

deposited 25 per cent of the sale price in accordance with the stipulations in the advertisement. No violation of any of conditions stipulated in Annexure P7 has been attributed to the petitioners by the respondents. In such a situation, it is not understood as to how and why the respondents have not carried out their obligation of accepting the due instalments or approving the plans submitted by the petitioners. No explanation whatsoever has been given either in the written statement or at the time of arguments. Vide letter dated December 17, 1982 the respondent No. 2 had informed one of the petitioners that the matter was under the active consideration of the Government. Vide another letter dated March 24, 1983, the comments were asked for by the Government from the Regional Deputy Director. In spite of the fact that almost 11 years have passed since the auction was held, the petitioners have not been conveyed the final decision. Having auctioned the property, it was incumbent on the respondents to carry out their part of the duty. They were obliged to accept the instalments, consider and approve the plans in accordance with law and to permit the petitioners the possession and enjoyment of the properties sold to them. They have failed to do so without any reason. In this situation, the action of the respondents is apparently arbitrary and cannot be sustained. Equally applicable to the present situation is the doctrine of promissory estoppel. The petitioners acted upon the representation made by respondent No. 2. They have carried out their part of the obligation. They are now entitled to enforce the representation against the respondents as held by the Apex Court in the case of *Century Spinning & Manufacturing Co. v. Ulhasnagar Municipal Council*, AIR 1971 S.C. 1021. It was held that

"a Public Body is in our judgment not exempted from liability to carry out its obligation arising out of the representations made by it relying upon which a citizen has altered his decision to his prejudice."

The rule was reiterated in *Union of India v. Godfrey Philips*, 1985(4) SCC 369. The rule is fully applicable of the facts of the present case. On the basis of the representation made by respondent No. 2, the petitioners paid the requisite amount of money. The respondents are now bound to carry out their part of the obligation.

7. In view of the above, the writ petition is allowed. The respondents are directed to sanction the plans for construction of shopcumflats and to hand over the possession of the plots to the petitioners within two months from today. The instalments of money due from the petitioners on different dates shall be accepted by the respondents. The necessary sale deeds in respect of the plots sold to petitioners No. 2 to 10 shall also be executed in accordance with law. The petitioners shall also be entitled to their costs.