

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS.5228-5229 OF 2008
(Arising out of S.L.P. (C) No.8122 of 2006)

Kalu Ram Ahuja and Another **...Appellant(s)**

Versus

Delhi Development Authority and Another ...Respondent(s)

ORDER

Leave granted.

Heard learned counsel for the parties.

The Delhi Development Authority (for short, D.D.A.), issued an advertisement, which was published in the newspaper dated 21st May, 1988 for auction of Plot No.235 measuring 84.10 sq. meter situated at Padam Nagar, New Delhi. In the auction held on 21st June, 1988, the appellants participated along with other bidders. They gave the highest bid of Rs.3,00,758/-. In terms of the advertisement, the bid was required to be approved by the Vice-Chairman, D.D.A. The latter rejected the same and his decision was communicated to the appellants vide letter dated 7th July, 1988, sent by Deputy Director [O.S.D.], D.D.A.

The appellants challenged the rejection of their bid by filing writ petition which was dismissed by the learned Single Judge by relying on the so-called representation made by ex-Municipal Member to espouse the cause of residents of the area. The Letters Patent Appeal preferred by the appellants was dismissed by the Division Bench. Hence, these appeals by special leave.

...2/-

Undisputedly, the D.D.A. had taken a conscious decision to auction the plot. It is neither the pleaded case of the respondents nor any material has been produced before this Court to show that the said decision was taken by the competent authority under some mis-apprehension. It is also not in dispute that the appellants participated in the auction held on 1st June, 1988, and gave highest bid, which, as mentioned above, was rejected by the Vice-Chairman, D.D.A. The communication dated 7th July, 1988, does not make a mention of the reason which may have prompted the Vice-Chairman to reject the bid given by the appellants. No other record has been produced before the Court to show that the decision of the Vice-Chairman was based on rational and tangible reasons and was in public interest. Therefore, there is no escape from the conclusion that the decision of the concerned authority was wholly arbitrary. The learned Single Judge without property appreciating the nature of the appellants' challenge to the rejection of their bid, dismissed the writ petition. The Division Bench also committed the same error by dismissing the appeal. Therefore, the impugned orders are legally unsustainable. Accordingly, the appeals are allowed, impugned orders passed by the High Court are set aside, writ petition filed by the appellants before the High Court is allowed and the decision of the Vice-Chairman, D.D.A. to reject the bid of the appellants is quashed. The appellants are directed to deposit the amount of bid along with the interest thereon at the rate of eighteen per cent from the date of bid till the

....3/-

date of actual payment within a period of three months from today. Thereafter the D.D.A. shall complete all the formalities of land and hand over possession to the appellants. The needful be done within three months from the date the amount is deposited by the appellants.

[B.N. AGRAWAL]J.

[G.S. SINGHVI]J.

New Delhi,
August 25, 2008.