



In the High Court of Punjab and Haryana at Chandigarh

CWP No. 2811 of 2023 (O&M)

Reserved on: 20.2.2025

Date of Decision: 01.4.2025

M/s Bedi Hospital

.....Petitioner

Versus

Chandigarh Administration and another

.....Respondents

**CORAM: HON'BLE MR. JUSTICE SURESHWAR THAKUR
HON'BLE MR. JUSTICE VIKAS SURI**

Argued by: Mr. Puneet Bali, Senior Advocate with
Mr. Piyush Aggarwal, Advocate,
Mr. Aakash Sharma, Advocate and
Mr. Anmol Chandan, Advocate
for the petitioner.

Mr. Amit Jhanji, Sr. Standing Counsel with
Mr. Sumeet Jain, Addl. Standing Counsel and
Ms. Eliza Gupta, Advocate
for respondents No. 1 and 2.

Mr. Kanwaljit Singh, Senior Advocate with
Mr. Munish Kapila, Advocate
for applicants-respondents No. 3 to 6.

SURESHWAR THAKUR, J.

1. Through the instant writ petition, the petitioner seeks the quashing of the letter dated 27.1.2023 (Annexure P-13), wherebys after execution of the agreement to sell and the depositing of the entire sale consideration, the respondents concerned, have allegedly unilaterally cancelled the bid contract in respect of Nursing Home Site No. 4, Sector 33-C, Chandigarh. Furthermore, the petitioner also seeks the quashing of the letter dated 9.2.2023 (Annexure P-24), wherebys the agreement to sell dated 28.10.2022 has been cancelled by the respondents.



Brief facts of the case

2. It is averred in the instant petition, that respondent No. 2 published a notice dated 31.8.2022 (Annexure P-1) for conducting an e-auction of commercial and nursing home sites on freehold basis in Chandigarh. The general terms and conditions (Annexure P-2) of the e-auction were uploaded on the e-auction website. Subsequently on 4.9.2022, respondent No. 2 issued a corrigendum wherebys, the last date for payment of Earnest Money Deposit (EMD, and, for submission of the documents, was extended upto 13.10.2022. As per the said corrigendum, the auction was scheduled to be held from 18.10.2022 till 20.10.2022. It is further averred in the instant petition, that as per e-auction notice, there were two nursing home sites, which became offered for sale on freehold basis i.e. Nursing Home Site Nos. 3 and 4, both located at Sector 33-C, Chandigarh, and having same measurement i.e. 744.44 sq. yds each, besides having same reserve price of Rs. 6,91,75,598/- each. The petitioner applied for participating in the e-auction of both the sites (supra) and on 20.9.2022, the petitioner deposited Rs. 27,67,024/- as advance EMD, being 2% of the reserve price of the said sites.

3. It is further averred, that e-auction of the above sites were started on 18.10.2022 and the same went on till 20.10.2022. The petitioner was the highest bidder for site No. 4 with a bid of Rs. 12,58,75,598/-, which was duly accepted by the respondent concerned, and, the acknowledgment for Award of subject sites was issued in favour of the petitioner vide intimation letter dated 20.10.2022 and e-mail dated 21.10.2022. On 21.10.2022, the petitioner deposited the 25% of the bid amount i.e. Rs. 3,05,16,488/- with respondent No. 2. Since the petitioner had already



deposited Rs. 13,83,512/- as advance EMD, therefore, the total amount deposited by the petitioner stood at Rs. 3,19,00,000/-. Subsequently, on 28.10.2022, in compliance of sub-clause (1) of Clause VI of the general terms and conditions, respondent No. 2 executed an agreement to sell (Annexure P-9) with the petitioner. Though, as per Clause V of the general terms and conditions, the remaining 75% of the bid amount was to be deposited within a period of 90 days from the date of the auction, yet the petitioner deposited the balance amount i.e. Rs. 9,39,75,598/- on 16.11.2022, which was much in advance before the deadline for the deposit being made i.e. on 15.12.2022. Therefore, 100% of the bid amount i.e. Rs. 12,58,75,598/- stood deposited by the petitioner.

4. Furthermore, it is averred in the petition that as per sub-clause (4) of Clause VI of the general terms and conditions, sub-clause whereof becomes extracted hereinafter, upon receipt of the full consideration amount, an allotment letter was to be issued by respondent No. 2 in favour of the petitioner, wherebys the petitioner was to be called upon to execute a conveyance deed in form 'C'.

“Upon the receipt of full consideration money, the Estate Officer shall issue allotment letter to the intending purchaser giving the terms and conditions of the allotment and calling upon him to execute conveyance of deed in Form ‘C’. These documents shall be issued/executed by the Estate Office and the purchaser, within a period of 30 days from the date of issue of the allotment letter. The allottee shall bear all the expenses occurring for the registration and stamp duty etc.”

5. Vide e-mail dated 16.11.2022, the petitioner confirmed the deposit of 100% of the sale consideration and requested the respondent concerned, for the issuance of the allotment letter. Since therebys no



response was received from the respondent concerned, thereupon the petitioner moved a representation dated 12.1.2023 to respondent No. 2 with a request to issue the allotment letter. However, instead of issuing the allotment letter, respondent No. 2 issued the impugned letter, whereins, it was stated that the bid contract awarded in favour of the petitioner on 20.1.2022, in respect of the nursing home site No. 4 stood cancelled, as the bid amount did not reflect the market trend. The reason for cancelling the bid contract was that the adjacent plot bearing nursing home site No. 3, had fetched an amount of Rs. 18,25,75,598/-, and, since there was a gap of more than Rs. 6 Crores between the two sites, therefore, the respondents decided to cancel the bid contract, and, to refund the bid money deposited by the petitioner. The respondents further decided to re-auction the nursing home site No. 4 in order to fetch a higher amount. The respondents concerned, sent another impugned letter dated 9.2.2023 upon the petitioner intimating it about the cancellation of the agreement to sell dated 28.10.2022. The relevant contents of the agreement to sell dated 28.10.2022 (Annexure P-9) become *ad verbatim* extracted hereinafter.

“x x x x

1. *That the total consideration money has been fixed at Rs. 12,58,75,598/- (Rupees Twelve Crore Fifty Eight Lakh Seventy Five Thousand Five Hundred Ninety Eight only) in respect of the Nursing Home Plot No. 4, Sector 33-C, Chandigarh, measuring 744.44 sq. yards (out of which a sum of Rs. 3,19,00,000/- (Rupees Three Crore Nineteen Lakh only) being 25% amount of the total consideration money has been paid by the purchasers/bidders. The seller hereby acknowledge the receipts of the same.*
2. *That the balance amount of 75% of the consideration money shall be paid by the purchasers/bidders in 90 days in terms of the provisions of the Chandigarh Estate Rules, 2007.*
3. *That the failure on the part of the purchasers/bidders to*



deposit 75% of the consideration money within the prescribed period of 90 days shall result in cancellation of the allotment of site/building, as the case may be and the amount deposited by him/her/them shall be forfeited to the seller which in no case shall exceed 10% of the total consideration money, interest and other dues payable in respect of the site of building or both and the intending purchaser/bidder shall have no claim to any damages.

4. *That similarly on the failure on the part of the seller to fulfill its obligation to transfer the property for any reasons other than the reasons connected with public order, security of State or change in public policy, the seller shall return the amount of 25% so paid by the purchasers/bidders and the intending purchasers/bidders shall have no claim to any damages.*

5. *That the purchasers/bidders shall abide by the provisions of the Capital of Punjab (Development and Regulation) Act, 1952 and the Chandigarh Estate Rules, 2007, as amended from time to time.*

6. *That this agreement to sell has been prepared in duplicate and each party has kept a copy of the same.”*

Submissions on behalf of the learned senior counsel for the petitioner

6. The learned senior counsel for the petitioner submits-

(i) That after confirmation of sale, and execution of the agreement to sell, besides upon receipt of the entire sale consideration, the respondent concerned, has no power/authority to review or cancel the bid contract, as the agreement to sell denotes, that after its execution and after the entire sale consideration being paid, the respondent concerned, shall issue the allotment letter.

(ii) That as per the provisions referred in the impugned letter, the power and authority to review the auction, though vests with the respondent concerned, but the said empowerment is to be exercised before the acceptance of the bid, and, not subsequent to the execution of the agreement to sell. However, it is submitted that since prior to the



confirmation of the bid, the respondent concerned did not recall the bid, but rather the respondent concerned, thus post the execution of the agreement to sell, rather proceeded to make the impugned annexures, therebys the drawing of the impugned annexures is illegal and unsustainable in the eyes of law.

(iii) That the respondents concerned, while cancelling the auction have relied upon clause 4 of the agreement to sell, which opens with 'on failure on the part of the seller to fulfill its obligations'. However, the agreement to sell dated 28.10.2022 has been cancelled only for the reason that the respondents concerned, might fetch a better price for the site in question, which does not amount to failure on the part of the seller to fulfill its obligations. Therefore, the said clause cannot be invoked by the respondents.

(iv) That the case of the petitioner is squarely covered by clause (vi) of Rule 5 of the Chandigarh Estate Rules, Rule whereof, become extracted hereinafter, which casts a duty upon the Estate Officer to issue allotment letter to the intending purchaser. Since the petitioner has paid the full consideration amount within time, therefore, it was mandatory for the Estate Officer to issue allotment letter in favour of the petitioner.

5. Sale/Lease by Auction

(i) *In case of sale/lease by auction, the interested bidders will have to deposit an earnest money of Rupees two lakhs, in cash or by means of demand draft drawn on any Scheduled Bank situated at Chandigarh in favour of Estate Officer, U.T. Chandigarh with the Estate Officer, U.T. Chandigarh in order to become eligible for participating in the auction.*

(ii) *On the acceptance of the highest bid, twenty five per cent of the bid accepted by the auctioning officer shall be paid at the fall of the hammer by the highest auction purchaser by means of demand*



draft drawn in favour of Estate Officer UT Chandigarh.

(iii) If the auction purchaser fails to pay the amount of 25% of the auction price at the fall of hammer, the earnest money deposited under sub-rule (i) above shall be forfeited.

(iv) Thereafter, an Agreement to Sell shall be executed between the Estate Officer, U.T., Chandigarh and the auction purchaser in the prescribed form as at Form-B or Form B-I, as the case may be, with a stipulation that in case of default in making timely payment of the remaining balance of 75% within the stipulated time period, the amount of 25% paid by the auction purchaser shall be forfeited. Similarly in case the Chandigarh 4 Administration fails to fulfill its obligation to transfer/lease out the property for any reason other than the reasons connected with public order, security of State or change in public policy, the Administration shall return the amount of 25% paid by the auction purchaser alongwith the equivalent amount deposited by him/her as damages for non-performance.

(v) The remaining 75% of the consideration money shall be deposited by the intending purchaser in lump sum within 90 days of the date of the auction by way of the prescribed mode of payment failing which the offer of allotment shall be deemed to have been cancelled and the payment made under sub-rule (ii) shall be forfeited and the intending purchaser shall have no claim to any damages. Provided that if the last day happens to be a public holiday, the next working day shall be deemed to be the last day for such payment. Provided further that in case of allotments to Government(s) or semi Government or autonomous bodies/ organizations, the period for the above said payment may be extended by the Chief Administrator on a written request by the organization/Department justifying the delay to the satisfaction of the Chief Administrator, subject to payment of interest @ 12% per annum for the period of delayed payment, provided that such delay shall in no case exceed one year or 12 months in the whole.

(vi) Upon the receipt of full consideration money, the Estate Officer shall issue allotment letter to the intending purchaser giving the terms and conditions of the allotment and calling upon him to execute a Conveyance deed / Lease deed in Form 'C' or Form 'D' as the case may be. These documents shall be issued/executed by the



Estate Office and the purchaser, as the case may be, within a period of 30 days from the date of issue of the allotment letter."

(v) That once the auction was confirmed, and when through the drawing of an agreement to sell, a concluded contract came into existence. Moreover, when all the contractual obligations cast upon the present petitioner, imperatively the one related to the entire sale consideration being liquidated to the respondent concerned, also became fully discharged. As such, it is argued, that the respondent concerned, was under a contractual obligation to execute a deed of conveyance, than to through the impugned letter (Annexure P-13), contents whereof become extracted hereinafter, rather intimating the petitioner, that the said contract between the parties is yet required to be annulled on the premise, that the contractual sale consideration is not a correct reflection of the market trend.

"It is intimated that the bid contract awarded in your favour on 20.10.2022 in respect of Nursing Home Site No. 4, Sector 33-C, Chandigarh is hereby cancelled with immediate effect due to the reason that the site adjacent to Nursing Home Site No. 4 having same area, has fetched the highest bid of Rs. 18,25,75,598/- . Such huge difference i.e. Rs. 6 crores between the adjacent sites having same area does not reflect the market trend. Therefore, it has been decided by the Administration to cancel the current bid for Nursing Home Site No. 4 and re-auction it with reserve price as the highest bid for Nursing Home Site No. 3, Sector 33-C, Chandigarh. The refund of the amount deposited by you has been processed and will be credited in your account by 31.1.2023.

It is pertinent to mention here that as per sub clause (i) under clause I of the general terms and conditions for sale of Nursing Home Sites by E-auction on Free hold basis at Chandigarh, whereby "The Estate Officer, U.T., Chandigarh has absolute right to accept or reject any or all the offer(s) or adjourn/postpone/cancel the e-auction without assigning any reason thereof.

Further as per Clause No. 4 of Agreement to Sale executed on 28.10.2022- "That similarly on the failure of the Seller to fulfill its obligation to transfer the property for any reason other than the reasons connected with public order, security of State or change in public policy, the seller shall return the amount of 25% so paid by the purchasers/bidders and the intending purchasers/bidders shall have no claim to any damages."



You may participate in the bid, whenever the site is re-auctioned by the department.

This issues with the approval of Hon'ble Administrator, U.T., Chandigarh.”

**Submissions on behalf of the learned senior counsel for the respondents-
U.T., Chandigarh**

7. The learned senior counsel for the respondents-U.T. submits-

(i) That both the nursing home sites No. 3 and 4 are adjacent sites having same area. The highest bid received for site No. 3 was Rs. 18,25,75,598/-, whereas the highest bid received for site No. 4 was Rs. 12,58,75,598/-, and, the bid contract was awarded on 20.10.2022, thus to both the highest bidders respectively to one Satinder Pal Singh and to M/s Bedi Hospital. Subsequently, the proceedings of the e-auction were forwarded to the Secretary, Estate, thus apprising him vis-a-vis the difference in the highest bid of both the adjacent sites, whereupon on 11.1.2023, a decision was taken to re-auction/re-bid the Nursing Home Site No. 4, with the reserve price similar to the highest bid price fetched qua Nursing Home Site No. 3, as both the sites are contiguous, and, such a huge difference in the highest bid, will cause huge financial loss to the Administration.

(ii) That the petitioner himself has participated in the e-auction of site No. 3 and stood as H3 in the said e-auction. The petitioner's last bid for the adjacent site No. 3 was for Rs. 17,76,75,598/- . Therefore, the true value of site No. 4 is much more than the bid made by the petitioner i.e. Rs. 12,58,75,598/-.

(iii) That the petitioner under the garb of the present petition, has been seeking the relief of specific performance, and, that the present petition has been filed by the petitioner to wriggle out of the mandate of Section 69 of the Partnership Act, rather requiring the making of compulsory



registration upon the joinings' of persons, thus in a mercantile activity, thereupon, with the present petitioner being an unregistered firm, whereupon it could not initiate the instant litigation, as it did not have the locus standi to do so.

(iv) That the present petition is not maintainable as disputed question of facts are involved in the instant case, and the remedy available to the petitioner is to file a civil suit.

(v) That a perusal of the terms and conditions of the e-auction and agreement discloses that no legal or contractual obligations for allotment has accrued in favour of the petitioner, and, that till the time the allotment letter is issued, thereunto the respondents became empowered to cancel the e-auction process at any stage.

(vi) That it was clearly mentioned in the terms and conditions of the e-auction, that the Estate Officer may withdraw any site that may have been put up for auction and he may accept or reject the highest bid amount without assigning any reason and the decision of the Estate Officer in this regard shall be final.

(vi) That the acceptance of highest bid is always subject to conditions of holding public auction and the right of the highest bidder is always liable to become examined in the context of the peculiar conditions in which the auction has been held.

Inferences of this Court

8. The embodiment of sub-clause (i) of clause (1) of the General Terms and Conditions (Annexure P-2) sub-clause whereof become extracted hereinafter, in the impugned letter(s), whereupon the respondents concerned, proceeded to annul the confirmed auction bid, to the considered mind of this



Court, is an empowerment which was to be exercised prior to the confirmation of the bid, and, not subsequent to the confirmation of the auction bid.

“(i) The Estate Officer, U.T., Chandigarh has absolute right to accept or reject any or all the offer (s) or adjourn/postpone/cancel the e-auction without assigning any reason thereof. The e-bidders are advised to go through the detailed terms and conditions of e-auction on the web portal eauction.gov.in before submitting their registration fee, bid amount and taking part in e-auction. The intending e-bidder should register their name(s) at eauction.gov.in. E-auction without digital signatures will not be accepted by the e-auction portal. ”

9. Moreover, the said power was not to be exercised post the settlement of a contract amongst the concerned through theirs entering into an undisputed agreement to sell. Since the petitioner fully discharged the apposite contractual obligation cast upon it, whereas, the respondent(s) concerned, failed to discharge the contractual obligations cast upon it/them, inasmuch as, its/theirs failing to yet execute a registered deed of conveyance in respect of the subject site vis-a-vis the present petitioner. Consequently, the failure on the part of the respondent concerned, to discharge its/their contractual obligation, thus favourably attracts vis-a-vis the present petitioner, thus the principles of legitimate expectation, and, of promissory estoppel. The said principles are expounded in the relevant paragraphs of a judgment rendered by the Apex Court in case titled as ***Vice Chairman and Managing Director, City and Industrial Development Cooperation Maharashtra and another versus Shishir Reality Private Ltd. and others***, reported in ***2021 SCC OnLine SC 1141***. The relevant paragraphs of the said judgment become extracted hereinafter.

“58. When a contract is being evaluated, the mere possibility of



more money in the public coffers, does not in itself serve public interest. A blanket claim by the State claiming loss of public money cannot be used to forgo contractual obligations, especially when it is not based on any evidence or examination. The larger public interest of upholding contracts and the fairness of public authorities is also in play. Courts need to have a broader understanding of public interest, while reviewing such contracts.

x x x x

64. Before we delve into the aforesaid arguments, it is imperative for us to go to have a look at certain decisions of this Court. This Court in the case of *Motilal Padampat Sugar Mills Co. Ltd. v. State of Uttar Pradesh*, (1979) 2 SCC 409 laid down the necessity of the government being bound by the principles of promissory estoppel in the following words:

“24. ... The law may, therefore, now be taken to be settled as a result of this decision, that where the Government makes a promise knowing or intending that it would be acted on by the promisee and, in fact, the promisee, acting in reliance on it, alters his position, the Government would be held bound by the promise and the promise would be enforceable against the Government at the instance of the promisee, notwithstanding that there is no consideration for the promise and the promise is not recorded in the form of a formal contract as required by Article 299 of the Constitution. ... It is indeed difficult to see on what principle can a Government, committed to the rule of law, claim immunity from the doctrine of promissory estoppel... It was laid down by this Court that the Government cannot claim to be immune from the applicability of the rule of promissory estoppel and repudiate a promise made by it on the ground that such promise may fetter its future executive action. If the Government does not want its freedom of executive action to be hampered or restricted, the Government need not make a promise knowing or intending that it would be acted on by the promisee and the promisee would alter his position relying upon it. But if the Government makes such a promise and the promisee acts in reliance upon it and alters his position, there is no reason why the Government should not be compelled to make good such promise like any other private individual. The law cannot acquire legitimacy and gain social acceptance unless it accords with the moral values of the society and the constant endeavour of the Courts and the legislature, must, therefore, be to close the gap between law and morality and bring about as near an approximation between the two as possible. The doctrine of promissory estoppel is a significant judicial contribution in that direction. But it is necessary to point out that since the doctrine of promissory estoppel is an equitable doctrine, it must yield



when the equity so requires. If it can be shown by the Government that having regard to the facts as they have transpired, it would be inequitable to hold the Government to the promise made by it, the Court would not raise an equity in favour of the promisee and enforce the promise against the Government. The doctrine of promissory estoppel would be displaced in such a case because, on the facts, equity would not require that the Government should be held bound by the promise made by it. When the Government is able to show that in view of the facts as have transpired since the making of the promise, public interest would be prejudiced if the Government were required to carry out the promise, the Court would have to balance the public interest in the Government carrying out a promise made to a citizen which has induced the citizen to act upon it and alter his position and the public interest likely to suffer if the promise were required to be carried out by the Government and determine which way the equity lies.The burden would be upon the Government to show that the public interest in the Government acting otherwise than in accordance with the promise is so overwhelming that it would be inequitable to hold the Government bound by the promise and the Court would insist on a highly rigorous standard of proof in the discharge of this burden.”

65. *In the aforesaid case, this Court held that it would not be enough for the Government to merely state that public interest requires that the Government should not be compelled to carry out the promise. It is imperative that the Government when seeking exoneration from liability of enforcing contract, must satisfy the Court as to how public interest overrides the necessity of enforcing the contract.”*

10. The principles which can be culled out from the said judgment, are that (i) the doctrine of promissory estoppel and the doctrine of legitimate expectancy, are grooved in equity, and, do not predominate either public interest or public policy. (ii) Contrarily, both public interest and public policy eclipse the efficacy of supra equitable doctrines. The constitutional Courts are required to be thus balancing the endowment of the doctrine of promissory estoppel to the petitioner vis-a-vis the predominant theretos, thus public interests and public policies.

11. Though, the exception to the said principles is grooved in the



factum, that unless the promise concerned, direly affects or jeopardizes the public policy, thereupon the apposite endowments of the equitable principles of promissory estoppel and consequent thereto principle(s) of legitimate expectation(s), thus cannot become endowed to the promisee.

12. Be that as it may, much beyond what has been expostulated in the judgment (supra), expostulations whereof become premised on equity, rather with the presently executed effective and undisputed agreement to sell especially when thereunders cast contractual obligation vis-a-vis the present petitioner becomes fully discharged by the latter, but yet the respondent concerned, failing to discharge the contractual obligation enjoined thereunder vis-a-vis it/them, through its/theirs omitting to execute the registered deed of conveyance, but thus more firmly favourably begets attraction vis-a-vis the present petitioner. The said inference becomes spurred, in the context of the presently settled inviolable contract, thus coming into existence inter se the present petitioner and the respondent concerned. Resultantly therebys since the supra equitable principles but necessitated theirs becoming effectively applied vis-a-vis the respondent welfare state, which otherwise stands on a footing different than a private individual, whereupons the respondent becomes overloaded with the necessity of discharging the constitutional requirement of ensuring that the promises made by it, to the promisee rather remain unreneged. However, the said constitutional assurance becomes attempted to become reneged, that too merely on the pretext, that in case any breach becomes made by the government or its agencies vis-a-vis the apposite contractual obligation cast upon it, therebys the promisee being led to file a suit for specific performance, whereupon the solemnity of the mandate encapsulated in



Article 299 of the Constitution of India, rather would suffer immense erosion.

13. Therefore, in the face of an evident breach being made to an inviolable contract executed by the State or its agencies, thus with private individuals, especially when the promisee rather has evidently fully discharged the apposite contractual obligation made upon it, whereas, the respondent concerned, omitting to discharge the contractual obligation cast upon it, that too for no well made reasons quartered within the statutory rules. Resultantly therebys, this Court becomes empowered to make a mandamus upon the respondent concerned, to execute the registered deed of conveyance. Therefore, in the said context, this Court does not become coaxed to direct the petitioner to file a suit for specific performance, as therebys, the apposite failure on the part of the respondent to discharge its inviolable contractual obligations, rather would cause breach becoming made to the supra constitutional duties encumbered upon the respondent-State, whereas, thereunders a constitutional assurance becomes meted to the promisee concerned, that the contract entered inter se him/her, hence with the State or its agencies, thus shall become rigorously abided by.

14. In other words, if there is yet an endowment of permissibility to State or its agencies to renege from the apposite contractual promises, or if the State agencies are not estopped from the mandate of the supra constitutional provisions, from thus making breaches vis-a-vis their contractual obligations cast upon them, therebys the basis of a welfare state, besides the basis of the rule of law, which is the pillar of the Constitution, but would become ineffective.

15. Moreover, the said inference is also lent strength through the



provisions, which occur in Article 299 of the Constitution of India, provision whereof becomes extracted hereinafter.

“299. Contracts. -- (1) All contracts made in the exercise of the executive power of the Union or of a State shall be expressed to be made by the President, or by the Governor of the State, as the case may be, and all such contracts and all assurances of property made in the exercise of that power shall be executed on behalf of the President or the Governor by such persons and in such manner as he may direct or authorise.

(2) Neither the President nor the Governor shall be personally liable in respect of any contract or assurance made or executed for the purposes of this Constitution, or for the purposes of any enactment relating to the Government of India heretofore in force, nor shall any person making or executing any such contract or assurance on behalf of any of them to personally liable in respect thereof.”

16. Since the said provision becomes embodied in the Constitution of India, which but is the prime enforceable document, therebys when contracts entered into by the Union of India in the name of the President of India, or by any of the federal units concerned, in the name of the Governors of such federal units, thus theretos constitutional sanctity becomes assigned. Moreover, when therebys all the assurances made thereunders to the vendees or the promisees, are also constitutionally assured to become meted the utmost deference. In sequel, therebys, any contract entered into by the State of Haryana, State of Punjab and or by their respectively created instrumentalities or agency(ies) and or by the corporate entities established under the State legislations concerned, thus become covered within the ambit of Article 299 of the Constitution of India. Resultantly, the thereunders made assurances to the promisees concerned, are required to become meted the declared constitutional sanctity, besides unless strong compelling reasons comeforth qua the said promises meted to the promisees concerned, by all supra, being not enforceable, thereupon the apposite constitutional provisions require utmost deference becoming meted thereto.



Predominantly, the vitals of the foremost regulatory document i.e. the Constitution of India, is to remain throughout in operation, rather than the said constitutional provisions becoming violated, and that too intentionally and willfully by all supra.

17. Since in the present scenario, the agreement to sell has been rescinded through Annexure P-24, that too without *prima facie* any apposite annulling jurisdiction becoming vested in the author of Annexure P-24, especially when the jurisdiction to annul the agreement to sell becomes solitarily vested in the Civil Court of competent jurisdiction. Resultantly, when there is complete lack of empowerment in the author of Annexure P-24 to annul the validly executed agreement to sell, therebys the cancellation or annulment of the agreement to sell also requires being quashed and set aside.

18. Furthermore, to the considered mind of this Court, in case there was any rigging of the e-auction bid, therebys the said fact was to be borne in mind but prior to the confirmation of the e-auction bid, rather than post the conclusion of the e-auction bid. Imperatively, since the cancellation of the e-auction bid, is ordained by the supra extracted rules, to be done prior to the confirmation of the e-auction bid, and, not subsequently thereto, as has been untenably done in the instant case.

19. Furthermore, if both the auctioned sites are undisputedly adjacent to each other, and, with the highest bidder *vis-a-vis* the site adjacent to the present subject site, also participating in the present subject bid, and, yet his failing to give an offer equivalent to the one, as he offered *vis-a-vis* the site adjacent to the subject bid. In sequel, since the respondent



concerned, also genuinely conceived that the auction bid as became offered vis-a-vis the site adjacent to the present subject site, thus was not required to be offered vis-a-vis present subject site. Resultantly therebys too, there was no rigging of the present subject bid. On the other hand, in the face of the above, the respondent concerned, also did acquiesce that the price offered by the present petitioner rather was the only realistic price of the present subject bid, whereupon he becomes estopped to challenge the finalized bid, as became offered by the present petitioner, and, which resulted in a binding and concluded inviolable contract becoming drawn between the present petitioner and the respondent concerned. Resultantly theretos, constitutional sanctity is to become endowed, besides theretos the principles of promissory estoppel and of legitimate expectation do firmly accrue vis-a-vis the present petitioner.

Final order

20. Accordingly, this Court finds merit in the instant petition, and, is constrained to allow it. Consequently, the instant petition is allowed. The impugned annexures are quashed, and, set aside.

21. The miscellaneous application(s), if any, is/are also disposed of.

(SURESHWAR THAKUR)
JUDGE

(VIKAS SURI)
JUDGE

April 1st , 2025
Gurpreet

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No