CGHC010167072021 2026:CGHC:38587-DB

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 2857 of 2021

1 - Laakhan Singh S/o Late Kallu Singh Aged About 85 Years Ex Army Man, Presently Residing At Rajwada, Thakur Para, Sukma, District Sukma Chhattisgarh.

... Petitioner

versus

1 - Nagar Palika Parishad Sukma Through Chief Municipal Officer, Sukma , District Sukma Chhattisgarh.

2 - State Of Chhattisgarh Through Secretary, Urban Development Department Mahanadi Bhawan, Mantralaya, Atal Nagar, Naya Raipur, District Raipur, Chhattisgarh.

... Respondents

For Petitioner	**:**	Mr. T.K. Jha, Senior Advocate with Mr. N.P. Thakur, Adv.
For Respondent No. 2/State	**:**	Mr. Rahul Tamaskar, G.A.
For Respondent No. 1	:	None, though served.

DB: Hon'ble Shri Justice Sanjay K. Agrawal
Hon'ble Shri Justice Sanjay Kumar Jaiswal

Order on Board
(01.09.2026)

Sanjay K. Agrawal, J.

1. This petition has been preferred for seeking direction to quash the order dated 25.03.2021 (Annexure-P/3) and direct the respondent No. 1 to allot/lease out shop No. 4 in favour of the petitioner.

2. The aforesaid challenge has been made on the following factual matrix:-

   2.1 Nagar Palika Parishad, Sukma (C.G.), Respondent No. 1 herein floated a tender for the allotment of shops at Sukma (C.G.), wherein Shop No. 4 was reserved for ex-servicemen/freedom fighters/disabled persons. The offset price was fixed at ₹3,00,000/-, against which the petitioner submitted a bid of ₹3,21,000/-. However, the petitioner's offer was rejected vide Annexure P/3 on the ground that other shops in the same tender received higher bids of ₹4,00,000/-, and therefore, the petitioner's bid could not be accepted.

3. Mr. T.K. Jha, learned Senior Counsel appearing for the petitioner, submitted that the petitioner is an ex-serviceman and believes in rule of law and for his livelihood he had applied to obtain the aforesaid shop and, even, the reasons assigned in the impugned order, whereby his bid has been rejected, are also not justified. The petitioner's offer was the highest valid bid received for the reserved shop and, pursuant to Condition No.37 of the tender notification, he acquired a legal entitlement on the aforesaid allotment. As such, the impugned order is arbitrary, illegal and unconstitutional and, therefore, the same is liable to be quashed.

4. No one appeared on behalf of respondent No.1.

5. We have heard learned counsel for the petitioner and have gone through the documents filed with the petition with utmost circumspection.

6. It is evident from the documents that the shop in question was reserved for ex-servicemen/freedom fighter/disabled persons, and the offset price was ₹3,00,000/- for which the petitioner offered more than ₹3 lakhs i.e. ₹3,21,000/-. The offer of the petitioner has been rejected solely on the ground that for other shops the price/bid has been offered more than ₹4 lakhs (i.e. more than the price/bid offered by the petitioner) and, as such, the bid of the petitioner cannot be accepted, which appears to be arbitrary and not based on any sound reason.

7. The Hon'ble Supreme Court in the matter of ***Golden Food Products India vs. State of Uttar Pradesh & Others***[1], has held in para 32 as under:-

> "**32**. An auction process has a sanctity attached to it and only for valid reasons that the highest bid can be discarded in an auction which is otherwise held in accordance with law. If a valid bid has been made which is above the reserve price, there should be a rationale or reason for not accepting it. Therefore, the decision to discard the highest bid must have a nexus to the rationale or the reason. Merely because the authority conducting the auction expected a higher bid than what the highest bidder had bid cannot be a reason to discard the highest bid. In the instant case, no other party had placed a bid higher than the appellant herein. There was no infirmity in the conduct of the auction. No other party had complained about the process of auction conducted

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> by the GDA - respondent No. 2. The bid offered by the appellant herein was the highest and above the reserve price. In the circumstances, the said bid ought to have been accepted by GDA - respondent No. 2 rather than cancelling the same without notice to the appellant herein. Hence, the cancellation of the bid submitted by the appellant herein is quashed."

8. In view of the above, since the price offered by the petitioner exceeded the prescribed offset price of ₹3,00,000/-, the same ought to have been accepted by the Respondent No. 1. The petitioner's bid could not have been rejected merely on the ground that higher bids exceeding ₹4,00,000/- were received for other shops.

9. Accordingly, the impugned order dated 25.03.2021 (Annexure P/3), to the extent it relates to Shop No. 4, is hereby quashed. Considering that the petitioner's bid exceeded the prescribed offset price, Respondent No. 1 / Municipal Council, Sukma is directed to reconsider the petitioner's case in accordance with law within a period of thirty days from the date of receipt of a copy of this order.

10. It is made clear that this Court has not expressed any opinion on the merits of the case.

11. With the aforesaid direction, the present writ petition stands disposed of accordingly, with no order as to costs.

Sd/-
(Sanjay K. Agrawal)
Judge

Sd/-
(Sanjay Kumar Jaiswal)
Judge

H.L. Sahu