

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO.7933 OF 2023

M/s. Millennium Realtor
through its Authorised Representative
Pratik Ratilal Patodia

....Petitioner

Versus

- 1 The State of Maharashtra
- 2 Managing Director,
City and Industrial Development
Corporation of Maharashtra Ltd.
- 3 Marketing Manager,
City and Industrial Development
Corporation of Maharashtra Ltd.

....Respondents

**WITH
INTERIM APPLICATION NO.7241 OF 2025
IN
WRIT PETITION NO.7933 OF 2023**

- 1 Marketing Manager,
City and Industrial Development
Corporation of Maharashtra Ltd.
- 2 Managing Director,
City and Industrial Development
Corporation of Maharashtra Ltd.

....Applicant

IN THE MATTER BETWEEN

M/s. Millennium Realtor
through its Authorised Representative
Pratik Ratilal Patodia

....Petitioner

Versus

- 1 The State of Maharashtra
- 2 Managing Director,
City and Industrial Development
Corporation of Maharashtra Ltd.
- 3 Marketing Manager,
City and Industrial Development
Corporation of Maharashtra Ltd.

....Respondents

Ms. Ritika Agarwal with Ms. Yaminee Verma and Ms. Safura Mohammed Ibrahim i/b M/s. Acelegal for the Petitioner.

Ms. Neha Bhide, Government Pleader with Mr. O.A. Chandurkar, Additional GP and Ms. G.R. Raghuvanshi, AGP for Respondent No.1/State.

Mr. Rahul Sinha with Mr. Yuvraj Singh i/b M/s. DSK Legal for Respondent Nos.2 and 3-CIDCO.

**CORAM : ALOK ARADHE, CJ. &
SANDEEP V. MARNE, J.**

DATE : 10 JUNE 2025.

ORDER (Per: Sandeep V. Marne, J.) :

1. By this Petition filed under Article 226 of the Constitution of India, Petitioner challenges letter dated 24 December 2021 cancelling offer made by it for allotment of Plot No.8A, Sector-13, Node-Kalamboli, Navi Mumbai. The representations made by the Petitioner against cancellation letter dated 24 December 2021 have been rejected by communication dated 18 April 2023, which is also subject matter of challenge in the present Petition.

2. Brief facts leading to filing of the present Petition are as under :

City and Industrial Development Corporation of Maharashtra Limited (CIDCO) issued online advertisement inviting applications for allotment of residential and residential-cum-commercial plots at Ghansoli, Kharghar, Kalmboli, New Panvel Nodes in Navi Mumbai. Petitioner submitted its bid for allotment of Plot No.8A, Sector-13, Node-Kalamboli, Navi Mumbai (**subject plot**). Result of the auction was declared on 20 October 2021 and the Petitioner was found to be the highest bidder for allotment of the subject plot @ Rs.76,240/- per sq.mtr. However, by letter dated 24 December 2021, CIDCO communicated its decision to cancel the offer made by the Petitioner for the subject plot and initiated action for refunding the earnest money deposit. Petitioner challenged communication dated 24 December 2021 in this Court by filing Writ Petition No. 2645 of 2022, which came to be disposed of by order dated 19 December 2022 granting liberty to the Petitioner to make a representation before the Managing Director/Competent Authority of CIDCO, with direction to decide the same in accordance with law. Accordingly, Petitioner made representations dated 26 December 2022 and 9 February 2023. By communication dated 18 April 2023, CIDCO rejected the representations and confirmed the earlier decision dated 24 December 2021. Aggrieved by non-allotment of the subject plot by CIDCO, Petitioner has filed the present Petition challenging decisions dated 24 December 2021 and 18 April 2023.

3. Ms. Agarwal, the learned counsel appearing for the Petitioner would submit that the CIDCO has acted arbitrarily in cancelling the highest offer made by Petitioner for allotment of the subject plot. That the offer is rejected without any cogent reason. That Petitioner having made the highest offer in the auction conducted by CIDCO, has a right to seek lease of the subject plot. That the first rejection letter dated

24 December 2021 did not reflect even a single reason for cancelling Petitioner's offer. That the impugned decision of CIDCO lacks transparency. She would rely upon documents to demonstrate sale transactions at same value as were offered by the Petitioner. She would accordingly submit that CIDCO would not suffer any loss on account of allotment of plot to the Petitioner at the rate offered by it. Inviting our attention to the second rejection order dated 18 April 2023, she would submit that even the said decision does not reflect even a single reason for rejection of the representation. She would accordingly pray for setting aside letters dated 24 December 2021 and 18 April 2023 and for allotment of the subject plot to the Petitioner.

4. The Petition is opposed by Mr. Sinha, the learned counsel appearing for the Respondent Nos. 2 and 3-CIDCO. He would submit that mere participation in the auction process by the Petitioner did not confer any indefeasible right to have the subject plot allotted. He would rely upon clause in the notice inviting offers reserving a right with CIDCO to cancel the scheme at any time at CIDCO's sole discretion, without assigning any reason. He would submit that Petitioner's offer has been rejected by the CIDCO on twin grounds of non-receipt of sufficient response for allotment of the subject plot and possibility of securing better rate in future. He would submit that CIDCO had appointed an expert independent agency M/s. Knight Frank to determine market potential of various plots, whose report indicated that subject plot would fetch lease premium in the range of Rs.73,526/- to Rs.90,299/- per sq. mtr. Therefore, the rate of Rs.76,240/- per sq. mtr. offered by the Petitioner is found to be on a lower side by CIDCO. He would rely upon order passed by this Court on 20 April 2023 dismissing similar Writ Petition filed by M/s. Aditya Enterprises (Writ Petition No.15601 of 2022). He would pray for dismissal of the Petition.

5. We have also heard Ms. Bhide, the learned Govt. Pleader for the Respondent No.1-State.

6. After having considered the submissions canvassed by the learned counsel appearing for the parties, it is seen that the Petitioner participated in the auction process initiated vide advertisement issued by CIDCO for grant of lease of 20 residential and residential-cum-commercial plots located in various Nodes in Navi Mumbai. Petitioner placed its bid for allotment of the subject plot by offering the rate of Rs.76,240/- per sq.mtr. There is no dispute to the position that the rate quoted by the Petitioner is found to be the highest amongst bids secured by CIDCO for the subject plot. CIDCO apparently felt that it was possible to secure higher rate for the plot in question. Accordingly, result of auction was initially kept in abeyance. By letter dated 24 December 2021, CIDCO decided to cancel the offer received from the Petitioner by referring to stipulation in Clause No.10 of the Advertisement, which reads thus :

10. CIDCO reserves the right to amend, revoke any or all the above condition or to cancel the scheme at any time at its sole discretion. The right to reject any or all the offers without assigning any reason whatsoever is reserved with the Corporation.

7. Thus, Petitioner's offer for allotment of the subject plot was rejected by referring to Clause 10 of the advertisement, under which CIDCO had absolute right to amend/revoke any condition or to cancel the scheme at any time at its sole discretion. It also reserved right to reject any offer without assigning any reason. The case does not involve allotment of the subject plot to any other person or entity, who had participated in the auction process after rejection of Petitioner's offer. On

the other hand, CIDCO has decided to cancel the entire scheme of allotment by rejecting the Petitioner's offer.

8. We are unable to accept Petitioner's contention that CIDCO has failed to record reasons in either of the impugned orders. CIDCO's right to cancel the auction under Clause No.10 has been specifically referred in the first rejection letter dated 24 December 2021 and therefore it cannot be contended that the said rejection was without assigning any reason. After disposal of Writ Petition No. 2645 of 2022 granting liberty to the Petitioner to make representation, second rejection order has been passed on 18 April 2023 after examining the representations made by the Petitioner. In the second rejection letter dated 18 April 2023, CIDCO recorded a reason that rate received from the Petitioner for the subject plot was not found satisfactory. Thus, it again cannot be contended that second rejection letter dated 18 April 2023 does not assign any reason.

9. We have gone through the Affidavit-in-Reply filed by the CIDCO, in which the reasons already reflected in the impugned decisions have been elaborated. It is pleaded in the Affidavit that Petitioner's offer has been rejected on account of non-receipt of sufficient response and possibility of securing better rates. CIDCO has referred to report of expert independent agency-M/s. Knight Frank, which had recommended that the plot would fetch lease premium in the range of Rs.73,526/- to Rs.90,299/- per sq.mtr. This is how CIDCO believes that it is likely to receive higher lease premium for lease of the subject plot. This is the subjective satisfaction recorded by the Competent Authority of CIDCO. The issue for consideration is whether this Court would be in a position to exercise power of judicial review over such subjective satisfaction recorded by the Competent Authority by substituting its own opinion ?

The answer to the question would be in the negative. Petitioner has not been able to demonstrate any element of perversity in the decision of CIDCO. CIDCO is the owner of the subject plot and wants to try its luck of securing higher lease premium for allotment thereof. It is not that CIDCO is allotting the subject plot to any other entity who had submitted lower bid in the auction process, by ignoring the Petitioner's claim. As of now, it has canceled the very auction process and wants to secure better rate in the fresh auction process. This Court also takes judicial notice of the fact that the auction was conducted during COVID-19 pandemic and therefore the possibility of CIDCO securing higher lease premium cannot be ruled out.

10. CIDCO is an instrumentality of State and is mandated to dispose of the land owned by it strictly in accordance with New Bombay Disposal of Land Regulations, 1975 formulated under Section 159 of the Maharashtra Regional and Town Planning Act, 1966. In its Affidavit, CIDCO has pleaded that it is required to undertake large scale expenditure for development and maintenance of infrastructure in the Navi Mumbai city and lease premium received towards allotment of plots is the major source of income for CIDCO. Therefore, the attempt sought to be made by CIDCO to secure higher rate for the subject plot through re-auction cannot be termed as arbitrary.

11. It is also well settled position of law that mere participation in tender or auction process does not create any indefeasible right in favour of a bidder. In the present case as well, Petitioner has not been able to demonstrate any right in its favour to have the subject plot allotted to it. CIDCO, being the owner of subject plot, has an absolute discretion not to dispose of the same. Mere issuance of advertisement by CIDCO for conduct of e-auction did not invest any right in favour of the Petitioner to

have the plot allotted in its favour. This is yet another reason why the Petition filed by the Petitioner must fail.

12. In the light of the above legal and factual position, we are not inclined to interfere in the impugned decision of CIDCO rejecting the offer made by the Petitioner with a view to secure better lease premium for allotment of the subject land.

13. The impugned decision is unexceptionable and the Petition is devoid of merits. It is accordingly **dismissed**.

14. In view of dismissal of the Writ Petition, Interim Application does not survive and the same is accordingly disposed of.

(SANDEEP V. MARNE, J.)

(CHIEF JUSTICE)