

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NOS.13253-13254 OF 2026
(Arising out of S.L.P.(Civil) Nos.28406-28407 of 2024)**

INDORE DEVELOPMENT AUTHORITY

... APPELLANT(S)

VS.

AAYUSH GARG

... RESPONDENT(S)

O R D E R

1. Leave granted.
2. These appeals call in question the correctness of the judgment and orders dated 16th May, 2024 passed by the High Court of Madhya Pradesh at Indore in Writ Petition No. 4772 of 2023 and dated 21st September, 2024 in Review Petition No. 755 of 2024. By the said judgment, the High Court while allowing Interlocutory Application No.4023 of 2024 filed by the respondent in Writ Petition No.4772 of 2023, directed as under:

“31. Resultantly, without going into the merits of the case, to maintain equity between the parties, in the interest of justice and looking to the limited relief sought by the petitioner and as the petitioner was declared to be the highest bidder in the said bid which is still

pending for its finalization, this petition is disposed off with a direction that, Respondent shall constitute a price fixation committee for the subject plot no.7CB, Scheme No.140, Indore and such committee shall determine the price for the subject plot in a rational and pragmatic manner and the same shall be communicated to the petitioner. It is needless to say that, price fixation committee should adopt a proper legal mechanism and in any case, foundation for determination of such price should be reasoned and logical, the same should not be done in an arbitrary or biased manner.

32. This exercise shall be accomplished as expeditiously as possible, within 4 weeks from the date of communication of this order to Respondent.

33. Once the price and schedule of payment are communicated to the Petitioner, then petitioner will, act upon the same within a period of 2 weeks from the date of communication made by the Respondent and if the Petitioner accepts the terms of the Respondent, then the allotment letter of the subject plot will be issued to the petitioner within 7 days from the date of communication of acceptance made by petitioner.

34. However, it is made clear that, if the schedule of payment is not complied with or offer is not accepted by petitioner, then Respondent would be at liberty to proceed ahead in accordance of law, without reference to this court.

35. This order has been passed in the peculiar facts and circumstances of the case, which cannot be treated as a precedent in any other case. With the aforesaid directions, the writ petition and IA No.4023/2024 is disposed off. No order as to costs."

3. Brief facts, essential for disposal of these appeals, are as follows:

(a) The appellant, on 07.09.2018, issued Advertisement No. 221 inviting bids for allotment of various plots in Scheme No. 140 in the city of Indore, Madhya Pradesh. In furtherance of the same, the respondent placed a bid for Plot No. 7-CB, situated in Scheme No. 140. Along with the bid, the respondent also furnished earnest money through a bank draft to the tune of Rs. 23,00,000/- (Rupees twenty three lakhs). The reserve price for Plot No. 7-CB was fixed at Rs. 69,000/- (Rupees sixty nine thousand) per square meter, and the respondent claims that he had offered a bid amount of Rs. 1,20,111/- (Rupees one lakh twenty thousand one hundred eleven) per square meter.

(b) Totally, seven bids were received, and the respondent turned out to be the highest bidder. No allotment letter had been issued, and the matter was pending consideration with the appellant-Authority. The

advertisement itself was issued under a set of rules called the Madhya Pradesh Vikas Pradhikaran Ki Sampattiyon Ka Prabandhan Tatha Vyayan Niyam, 2013 (hereinafter referred to as "the Rules").

(c) When matter stood thus, on an Interlocutory Application at the instance of the land owners, whose lands were acquired for the development of this Scheme No. 140, in pending Writ Appeal No. 229 of 2008, a Division Bench of the High Court directed to maintain *status quo* with regard to the suit property on 25.09.2018.

(d) It is not disputed that the appellant, apart from taking steps to vacate the status quo, had also expressly sought permission in the said Writ Appeal No. 229 of 2008 to proceed with the auction.

(e) At this stage, on 18th August, 2022, the Division Bench of the High Court disposed of Writ Appeal No. 229 of 2008 with the following operative order:

"24. Hence, in view of the above discussion, the writ appeal filed by Indore Development Authority i.e. WA No.267/2008 is dismissed. The writ appeal filed by the petitioner society i.e. WA No.229/2008 is allowed with the following direction/order/writ.

(i) Resolution No.199 dated 14.8.2007 and order dated 22.1.2008 are hereby quashed,

(ii) Resolution No.412 dated 3.10.2003 and agreement dated 7.11.2003 are hereby restored,

(iii) The petitioner society is directed to hand over the little documents and possession on the spot of the entire land of area 2.121 hectares to the Indore Development Authority to make it a total area of 10.25 hectares,

(iv) Subject to fulfilling direction no. (iii) the Indore Development Authority shall allocate 20% of developed plots to the petitioner society as per Resolution No.412 dated 3.10.2003 and agreement dated 7.11.2003 within 90 days.

(v) If the petitioner society fails to comply with direction No.(iii) within six months from today then the Indore Development Authority shall be free from the agreement dated 7.11.2003 and Resolution No.199 dated 14.8.2007 and the order dated 22.1.2008 shall be treated as restored.

(vi) No order as to cost."

It is not disputed that this judgment is pending in several appeals filed before this Court.

(f) After disposal of the said Writ Appeal, the respondent filed Writ Petition No. 4772 of 2023 on 21st February, 2023 before the High Court, seeking a direction to the appellant herein for issuance of an allotment letter for Plot No. 7-CB in Scheme No. 140.

(g) It is, at this stage, the matter takes an interesting turn. The respondent, in the pending Writ Petition, filed I.A. No. 4023 of 2024 praying for the following relief:

“Therefore, in the light of facts and circumstances of the case and in the interest of natural justice, Hon’ble Court may kindly be pleased to allow this application and the present petition be disposed of with a limited relief to the petitioner that, the subject plot No.7CB, Scheme No.140, Indore be allotted to the petitioner either by charging interest as opined by the learned Advocate general or the allotment of said plot be made on the rational and pragmatic price fixed by price fixation committee of IDA.”

4. It is in this Interlocutory Application that has come to be allowed by the High Court by granting reliefs which have been extracted hereinabove.

5. Aggrieved, the appellant-authority, after having lost the Review Petition also, has filed this appeal by

special leave.

6. We heard Mr. Saurabh Mishra, learned senior counsel for the appellant, and Mr. Devadatt Kamat, learned senior counsel for the respondent and perused relevant material placed on record.

7. Learned senior counsel for the appellant, drawing attention to the Rules, contends that allotment can be made only by a process of bid or by a process of lottery; that the bids above Rs. 20,00,000/- (Rupees twenty lakhs) under Rule 27 ought to be approved by the Board of the Indore Development Authority; that under the advertisement, the Authority has right to accept or reject any bid; and that even the highest tenderer can be awarded, only subject to the approval of the competent authority. In this regard, learned senior counsel invited attention to Clause 2 of the advertisement:

"2. Ordinarily the highest tenderer quoting a rate higher than the reserve price shall be declared as the selected tenderer, subject to the approval of the competent authority on opening of the tender envelopes."

8. Inviting attention to Rule 6(v) of the Rules, learned senior counsel contends that offers received through the bids are to be opened in the manner

prescribed in the relevant bid document and the rates received shall be presented to the competent authority under Rule 27 for a decision. Rule 6(v) further provides that the competent authority ought to be satisfied that there was sufficient competition or sufficient efforts taken to obtain the best bid, and only after arriving at such a satisfaction, approve the highest bid, if the highest bid exceeds the reserve price.

9. It is further contended that the Authority was never at fault.

10. In keeping the decision on allotment pending, as the status quo order was operating, the appellant took all steps *bona fide* to have the *status quo* order vacated and the auction proceeded with. Learned senior counsel submits that today, much water has flown and eight years have passed by since the date of the advertisement, and great prejudice will be caused to public interest, if the impugned order is given effect to.

11. Learned senior counsel also submits that along with the respondent, there were 97 other bidders who had also submitted their bids. Learned senior counsel submits that in those cases, a decision was taken to cancel the bids and a fresh auction was ordered. Learned senior counsel

fairly points out that the decision taken for cancellation and ordering of a fresh bid is the subject matter of a writ petition in the High Court.

12. Mr. Devadatt Kamat, learned senior counsel for the respondent, vehemently defended the impugned order. Learned senior counsel submitted that the respondent was admittedly the highest bidder and had offered an amount in excess of 74% of the reserve price and three times the circle rate for the said property. Learned senior counsel submitted that ever since 2019, the respondent has been pleading with the appellant for issuance of the letter of allotment. Learned senior counsel submits that the demands made by the respondent fell on the deaf ears of the appellant. Learned senior counsel further submits that even the status quo order was vacated on 18th August, 2022, and in spite of it, till the respondent moved the Interlocutory Application in 2024, nothing was done. According to learned senior counsel, the appellant had no intention to take a decision. Learned senior counsel contends that the appellant ought to have taken a decision one way or the other and could not have left the matter in limbo.

13. Mr. Devadatt Kamat, learned senior counsel, also contends that, in fact, the *status quo* order made on 25th

September, 2018 did not pertain to the property in question.

14. In rejoinder, Mr. Saurabh Mishra, learned senior counsel for the appellant, while reiterating the submissions, contended that the appellant had filed applications highlighting the aspect that the landowner who had moved the Court in Writ Appeal No. 229 of 2008 had no concern with the land in question that is involved in the present case. In fact, the appellant had pleaded with the court to vacate the *status quo* and proceed. Learned Counsel contends that the appellant was not at fault as till the matter was disposed of on 18th August, 2022, the *status quo* was not vacated.

15. We have considered the rival contentions. We are unable to sustain the impugned order. The direction of the High Court directing the appellant to constitute a Price Fixation Committee, and to direct that such committee "shall determine the price for the subject plot in a rational and pragmatic manner", are all matters totally beyond the ken of the governing Rules.

16. Moreover, at the stage when the respondent approached the High Court, the respondent had no indefeasible right to allotment and no vested rights had

been crystallized in favor of the respondent warranting the issue of any *mandamus* in their favour.

17. As is clear from the Rules discussed above, the ultimate decision to award the tender or not was to vest with the competent authority, which was to decide under Rule 6(v) read with Rule 27 whereunder the decision was to be approved by the Board. Before the appellant could resort to any of these procedural requirements, the respondent had moved the Writ Petition and in the Writ Petition moved an Interlocutory Application pressing for a limited relief which the High Court had gone on to grant.

18. Under the circumstances, we set aside the orders dated 16th May, 2024 passed by the High Court of Madhya Pradesh at Indore in Writ Petition No. 4772 of 2023 and dated 21st September, 2024 in Review Petition No. 755 of 2024.

19. At this stage, learned senior counsel for the respondent submitted that the main Writ Petition should be remanded to the High Court for a decision on the other aspects of the matter.

20. We did consider the feasibility of that option.

21. However, we are not inclined to remand the Writ Petition, as it will be a futile exercise. The appellant has to first take a decision on what it proposes to do with the bids that have been received in question pursuant to advertisement No.221 issued on 7th September, 2018 and, more particularly, with regard to plot No.7-CB in Scheme No.140.

22. Hence, the appropriate course of action would be to direct the appellant to decide on the course of action that it proposes to take on the bids received with regard to plot No.7-CB in Scheme No.140 within a period of four weeks from the date of receipt of this order. Any decision taken shall be communicated to the respondent. The respondent, if aggrieved, will be at liberty to pursue such remedies as are available to him in law and if those remedies are resorted to, they will be decided on their own merits.

23. Learned senior counsel for the respondent, at this stage, submits that already a representation dated 30th December, 2022 made by the respondent is pending with the appellant. The appellant shall consider the said representation and take a decision in accordance with law.

24. The appeals are accordingly disposed of in the above terms. There shall be no order as to costs.

.....J.
(K.V.VISWANATHAN)

.....J.
(ARUN PALLI)

NEW DELHI;
September 29, 2026

ITEM NO.32

COURT NO.12

SECTION IV-C

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s).28406-28407/2024
[Arising out of impugned final judgment and orders dated 16-05-2024
in WP No. 4772/2023 and dated 21-09-2024 in RP No. 755/2024 passed
by the High Court of Madhya Pradesh at Indore]

INDORE DEVELOPMENT AUTHORITY

Petitioner(s)

VERSUS

AAYUSH GARG

Respondent(s)

(IA No. 257142/2024 - EXEMPTION FROM FILING O.T.)

Date : 29-09-2026 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE K.V. VISWANATHAN
HON'BLE MR. JUSTICE ARUN PALLI

For Petitioner(s) :

Mr. Saurabh Mishra, Sr. Adv.
Ms. Prerna Singh, AOR
Mr. Shikhar Srivastava, Adv.
Mr. Ambar Pare, Adv.

For Respondent(s) :

Mr. Devadatt Kamat, Sr. Adv.
Mr. Arjun Garg, AOR
Mr. Nilesch Agrawal, Adv.
Mr. Saaranish Shukla, Adv.
Ms. Mrinmoyee Das, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. The appeals are disposed of in terms of the signed order. Pending application shall stand disposed of.

(ANITA MALHOTRA)
DEPUTY REGISTRAR

(NIKITA SINGH)
COURT MASTER

(Signed order is placed on the file.)