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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment Reserved on: 06.08.2025*

Judgment Delivered on: 22.11.2025

\+ W.P.(C) 8242/2021 & CM APPL. 25609/2021

SMT. SARLA TANEJA .....Petitioner

Through: Mr. Nakul Mohta, Mr. Aditya Dhingra and Mr. Ayush Kashyap, Advs.

versus

DELHI DEVELOPMENT AUTHORITY .....Respondent

Through: Mr. Tushar Sannu, Mr. Praveen Bansal and Ms. Ishika Jain, Advs. for DDA.

CORAM:
HON'BLE MR. JUSTICE VIKAS MAHAJAN

JUDGMENT

VIKAS MAHAJAN, J

1. The grievance ventilated in the present petition is with regard to the cancellation of bid/allotment of the petitioner and forfeiture of earnest money deposited by her.

2. The brief facts giving rise to the present petition are that respondent/DDA invited tenders for industrial plots in the year 2018-19.

3. The petitioner registered herself on the DDA's e-auction portal as per the stipulated guidelines, and paid 5% of minimum reserved price amounting to Rs. 2,89,709/- of the earnest money prior to the auction and submitted the requisite documents i.e. letter of intent, affidavit, etc.

4. On 26.04.2019, the petitioner was declared the highest bidder (H1 bidder) with highest bid of Rs.1,89,94,174/- for the plot no. A-36 Keshopur Industrial Area, New Delhi (hereinafter 'the property').

5. Before the issuance of demand-cum-allotment letter to the petitioner, a civil writ petition being *W.P.(C) No. 4904/2019* was filed by one Mr. Manjeet Singh, the second highest bidder of the property claiming to be highest bidder in the said E-auction. In the said petition, this Court passed a stay order dated 08.05.2019 with a direction to respondent/DDA that final demand-cum-allotment letter with respect to the property will not be issued till the next date of hearing. In the same order it can be seen that respondent/DDA had informed the Court that petitioner herein had offered the highest bid, however, the petitioner was not arrayed as a party in the aforesaid writ petition.

6. It is mentioned in present petition that notwithstanding, the said restraint order, the respondent/DDA issued a letter of intent whereby a Challan was raised upon the petitioner with regard to the balance payment of 20% towards the earnest money deposit of 25% i.e. Rs. 44,58,835. In addition to the balance amount, the petitioner was also directed to pay 1% of the successful bid amount to the auctioneer agency M/s Tender Wizard including GST charges amounting to Rs. 2,12,984.

7. It is stated that the petitioner had absolutely no knowledge of the aforesaid writ petition, as well as the restraint order passed therein, and therefore, deposited an amount totaling Rs. 49,61,528/- which included the earnest money deposit, as well as, the amount paid to the auctioneer agency

M/s Tender Wizard, on 10.06.2019.

8. Later on, the petitioner was made a party in the aforesaid writ petition and was served with a notice. Accordingly, the petitioner entered appearance and this Court *vide* order dated 19.07.2019 passed in the aforesaid writ petition, directed interim order to continue.

9. Despite the stay order, respondent/DDA issued the demand-cum-allotment letter dated 30.07.2019 to the petitioner in respect of the property, calling upon the petitioner to make full payment within a period of 90 days.

10. However, when the petitioner herein informed this Court on 19.08.2019 about the issuance of demand-cum-allotment letter by the respondent/DDA despite the stay operating, the respondent/DDA gave an undertaking that it would keep the allotment in abeyance and the same shall be subject to the outcome of aforesaid writ petition. It was further stated by the learned counsel for the respondent/DDA that in case the writ petition is dismissed, 90 days time will be granted to the petitioner from the date of dismissal of writ.

11. Subsequently, aforesaid writ petition was dismissed as withdrawn *vide* order dated 05.12.2019. The Division Bench of this Court, while passing the said order dated 05.12.2019, directed that the respondent/DDA shall comply with the order dated 19.08.2019. After the writ petition was dismissed, the petitioner within 18 days of the said order i.e. on 23.12.2019 wrote to the respondent/DDA for issuance of a fresh demand-cum-allotment letter as the previous demand-cum-allotment letter had become invalid/infructuous during the pendency of *W.P.(C) 4904/2019*.

12. It was further mentioned by the petitioner in the letter dated 23.12.2019 that since loan is to be raised by the petitioner, therefore, the banks/institutions will not be willing to provide any loan to the petitioner on the basis of an expired demand-cum-allotment letter.

13. Sequel to above, the petitioner received a letter dated 03.03.2020 from the respondent/DDA wherein, it was mentioned that the petitioner should apply for an extension of time to pay the balance bid amount.

14. The petitioner having no other recourse was constrained to make an application dated 04.03.2020 for extension of time in order to pay the balance bid amount and was under the belief that a fresh demand-cum-allotment letter would be issued by the respondent/DDA alongwith extension of time.

15. However, there was no response by the respondent/DDA even after several personal visits by the petitioner. The petitioner also sent various e-mails and letters to the respondent/DDA dated *17.08.2020, 27.08.2020, 23.11.2020 and 09.12.2020* requesting them for the issuance of fresh demand-cum-allotment letter, but it did not fetch any response.

16. Subsequently, the petitioner received an e-mail on 22.12.2020 whereby, respondent/DDA intimated the petitioner about the circular dated 02.12.2020 which provides for extension of time up to 31.12.2020 for the cases where demand-cum-allotment letters were issued by the respondent/DDA on or after 01.10.2019.

17. It is the case of the petitioner that the said circular was not applicable to the petitioner inasmuch as the demand-cum-allotment letter issued to the

petitioner was of 30.07.2019. The petitioner, therefore, *vide* email dated *29.12.2020 and 30.12.2020*, requested respondent/DDA for a reasonable time to make payment of balance bid amount as only 09 days period was remaining as mentioned in the circular, and the same was intimated by the respondent/DDA on 22.12.2020 to the petitioner.

18. The petitioner again made a representation on 01.02.2021 to respondent/DDA requesting them to provide a reasonable time to pay the balance bid amount.

19. Since there was no response to the previous representations made by the petitioner, she filed *W.P.(C) 2977/2021* before this Court seeking direction to the respondent/DDA to issue a fresh demand-cum-allotment letter, so that the petitioner is able to make the payment of balance bid amount.

20. The said writ petition was disposed of by this Court *vide* order dated 05.03.2021 directing the respondent/DDA to treat the writ petition as representation and appropriate orders/fresh letter be issued to her in respect of the allotment.

21. Pursuant to the aforesaid direction, the respondent/DDA after giving an opportunity of personal hearing, passed the impugned order dated 01.06.2021 whereby it cancelled the bid/allotment of the petitioner and forfeited the earnest amount deposited by the petitioner.

22. Aggrieved by the said order dated 01.06.2021 issued by respondent/DDA, the petitioner has filed the present petition seeking following relief:

"A. Allow the present Petition and thereby issue a writ of Certiorari or any other appropriate order or direction quashing and/or setting aside the Order dated 01.06.2021passed by the Respondent; and

B. Issue a writ of Mandamus or any other appropriate order or direction directing the Respondent to issue a fresh Demand-cum-Allotment letter and granting the Petitioner sufficient time for arranging payment of Rs. 1,42,45,629/- (Rupees One Crores Forty Two Lakhs Forty Five Thousand Six Hundred and Twenty Nine Only) pertaining to the Plot bearing No. A-36, Keshopur Industrial Area, New Delhi.

C. Issue a writ of Mandamus directing the Respondent to pay the cost of the present Writ Petition to the Petitioner."

23. Mr. Nakul Mohta, learned counsel appearing on behalf of the petitioner submits that the petitioner has always been prompt in making the payment. He submits that 25% amount was deposited by the petitioner towards the earnest money within the time stipulated.

24. He contends that the balance 75% of bid amount was not deposited as the demand-cum-allotment letter dated 30.07.2019 issued by respondent/DDA was kept in abeyance by the respondent/DDA itself, pursuant to the order passed by the Court in *W.P.(C) 4904/2019* filed by the second highest bidder in the E-auction.

25. He further contends that *vide* order dated 19.08.2019 in *W.P.(C) 4904/2019*, a statement made by the learned counsel appearing on behalf of respondent/DDA was also recorded that in case the said writ petition is dismissed, 90 days will be granted to the petitioner from the date of dismissal of the writ petition. This itself shows that after the dismissal of the

W.P.(C) 4904/2019, the respondent/DDA was obliged to issue a fresh demand-cum-allotment letter to the petitioner.

26. He further submits that *W.P.(C) 4094/2019* was dismissed as withdrawn *vide* order dated 05.12.2019 and immediately thereafter, on 23.12.2019, the petitioner represented to the respondent/DDA to issue fresh demand-cum-allotment letter.

27. However, the respondent/DDA did not respond to the said request of petitioner, rather the respondent/DDA issued a letter dated 03.03.2020 before the expiry of 90 days asking the petitioner to request for extension of time. Thereafter, petitioner on the very next day *vide* its application dated 04.03.2020, made a request for extension of time.

28. Mr. Mohta also invites attention of the Court to a tender document to contend that the same contains a note to the effect that successful bidder may pay the cost of the plot by availing loan facility from financial institution for which the respondent/DDA offer NOC/mortgage permissions. He submits that to give full effect to the said note the respondent/DDA ought to have issued a fresh demand-cum-allotment letter because in the absence of a valid demand-cum-allotment letter, no financial institution could have sanctioned loan to the petitioner.

29. To buttress his contention, Mr. Mohta invited attention of the Court to Annexure P-4 of the rejoinder which is a screenshot of the website of HDFC bank which suggests that for grant of loan, copy of allotment letter/buyer agreement is an essential document.

30. In support of his contention, Mr. Mohta has placed reliance on the

following decisions:

(i) ***Kulwant Singh vs. Delhi Development Authority, 2019 SCC OnLine Del 7946***;
(ii) ***M/s Quantus Management System Pvt. Ltd. Vs. Delhi Development Authority, W.P.(C) 2221/2025***.

31. *Per contra,* Mr. Tushar Sannu, learned counsel appearing on behalf of respondent/DDA submits that the only ground taken by the petitioner is that she had to avail loan for making payment of balance payment of 75% of bid amount.

32. He submits that the petitioner has not placed on record any document to suggest that she had approached any bank or financial institution for the said purpose, and request for the same was rejected for want of any valid demand-cum-allotment letter.

33. He submits that while dismissing the writ petition of second highest bidder in *W.P.(C) 4904/2019*, 90 days were available to the petitioner for making balance 75% amount which was never availed by the petitioner.

34. Mr. Sannu further submits that the respondent/DDA had even issued a circular dated 02.12.2020 whereby the extension had been granted upto 31.12.2020, which was also not availed by the petitioner.

35. He submits that the petitioner made a bid for an industrial plot; hence, the petitioner was aware that 75% of the bid amount is earnest payable within the time stipulated in the tender document, therefore, the petitioner should have been ready with the balance amount. He submits that the justification put forth by the petitioner that she had to raise loan for making payment of balance 75% of the bid amount is not tenable.

36. Mr. Sannu also invites attention of the Court to clause 2.4.5, (Chapter I of tender document), Clause II (9) and Clause II (10) of General Terms and Condition of e-Auction to contend that the said clauses provide that in the event of the bidder failing to make 75% of balance payment in terms of the bid, the earnest money deposited shall be forfeited.

37. In support of his contention, Mr. Sannu has placed reliance on the following decisions:

(i) ***Narender Kapoor vs. Delhi Development Authority, 2011 SCC OnLine Del 2941***;
(ii) ***Jitin Garg vs. Delhi Development Authority, 2021 SCC OnLine Del 4976***;
(iii) ***Ashutosh Kumar vs. Delhi Development Authority, 2023 (1) R.A.J. 116(Del);***

38. Having heard the learned counsels for the parties, the short question which arises for the consideration of this court is whether the petitioner is entitled to a fresh demand-cum-allotment letter pertaining to the property, and whether impugned order dated 01.06.2021 of cancellation and forfeiture of deposit of earnest money is tenable.

39. The undisputed fact in the instant petition is that the petitioner was the highest bidder during the auction of the "property". The petitioner promptly deposited the requisite earnest money within the prescribed time period of 7 days from the date of issue of Letter of Intent (LOI) and complied with every procedural formality, including payment of additional charges to the auctioneer agency. The petitioner thus, paid a total sum of Rs. 49,61,528/- in the following manner:

(i) 5% Earnest Money Deposit of the reserved value; Rs.

57,94,173/- amounting to Rs. 2,89,709/- paid prior to the auction.

(ii) 25% of the successful bid amount Rs. 1,89,94,173/- less the Earnest Money Deposit which comes to Rs. 44,58,835/- on 10.06.2019.

(iii) 1% of the successful bid amount paid to the auctioneer agency; M/s Tender Wizard including GST, amounting to Rs. 2,12,984/- on 10.06.2019.

40. The allotment process was stalled when one Mr. Manjeet Singh filed a writ petition viz. *WP (C) No. 4904 of 2019* against the respondent/DDA in this Court, and *vide* order dated 08.05.2019, this Court in the above-mentioned writ petition directed as under:

> *"**Till the next date of hearing, final allotment letter shall not be issued** with respect to Plot A-36, Keshopur Industrial Area, Delhi"*

(emphasis supplied)

41. However, the respondent/DDA issued the demand-cum-allotment letter dated 30.07.2019, contrary to the restraint order mentioned above. Yet again *vide* order dated 19.08.2019, this Court recorded as under:

> *"Counsel for the respondent no. 2 submits that despite the interim protection granted on the last date of hearing, respondent no. 2 has received a communication from the DDA to deposit the balance amount within 90 days. **Mr. Pawan Mathur, standing counsel for the DDA, submits that this notice issued to respondent no. 2 would be kept in abeyance and subject to outcome of the writ petition and in case, the writ petition is dismissed, 90 days will be granted to respondent no. 2 from that date**"*

(emphasis supplied)

42. Later, Mr. Manjeet Singh withdrew the said writ petition on 05.12.2019 and the operative part of the order passed on 05.12.2019 reads as under:

> *Accordingly, the writ petition and CM APPL. 21827/2019 are dismissed as withdrawn.*
>
> ***We make it clear that the DDA would comply with the order dated 19.08.2019 passed by this court, the relevant portion of which, is reproduced below:***
>
>> *"Mr. Pawan Mathur, standing counsel for the DDA, submits that this notice issued to respondent no. 2 would be kept in abeyance and subject to outcome of the writ petition and in case, the writ petition is dismissed, 90 days will be granted to respondent no. 2 from that date.*"
>
> (emphasis supplied)

43. Thus, from the aforesaid orders, it is explicit that the respondent/DDA in order dated 19.08.2024 had undertaken to grant 90 days time to the petitioner herein in Mr. Manjeet Singh's writ petition[1] in the event said writ petition is dismissed. Again, while dismissing the said writ petition, this Court *vide* order dated 05.12.2019 directed to comply with order dated 19.08.2019 wherein undertaking of DDA had been recorded.

44. This Court is of the view that the only manner in which the DDA could have granted 90 days time to the petitioner to deposit the balance amount was by way of issuance of fresh demand-cum-allotment letter as the validity of earlier demand-cum-allotment letter dated 30.07.2019 had expired during the pendency of writ petition filed by Mr. Manjeet Singh.

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[1] *WP (C) 4904/2019*

45. Axiomatically, the petitioner could have deposited the balance amount only with reference to some valid demand letter or on the basis of a direction/order of the Court. Incidentally, there was no direction to the petitioner, who was arrayed as respondent no. 2 in Mr. Manjeet Singh's writ petition, to deposit balance amount within 90 days of dismissal of said writ petition. Therefore, issuance of fresh valid demand letter by the DDA was imperative after the dismissal of Manjeet Singh's writ petition on 05.12.2019, to grant clear 90 days time to the petitioner to deposit balance amount.

46. Intriguingly, the DDA did not do the needful as undertaken. Rather, the petitioner immediately sent a letter dated 23.12.2019 to the respondent/DDA requesting for the issuance of fresh demand-cum-allotment letter as the earlier demand letter dated 30.07.2019 had become invalid, further stating that no financial institution will grant loan on the expired demand letter. The letter dated 23.12.2019 of the petitioner reads thus:

> "*Dear Sir,*
>
> ***Kindly issue me a fresh Demand Letter as per order dated 05/12/2019 on case WP(C) 4904/2019*** *decided on 5/12/2019 of the Hon'ble High Court of Delhi (Justice G.S Sistani).*
>
> ***This is required as the earlier demand Letter of 30/07/2019 has become invalid and expired, as no financial institution will grant loan on the expired demand letter.***
>
> *Pl. treat this as urgent*."

(emphasis supplied)

47. The receipt of this letter is not disputed by the respondent/DDA, but

the same was never responded to by the respondent/DDA at any point of time. However, on 03.03.2020 the respondent/DDA issued a letter to the petitioner stating that the remaining payment of 75% of the bid amount has not been paid by the petitioner, therefore, the petitioner should apply for extension of time. Once again, the respondent/DDA kept silent as regards the question of issuance of new demand-cum-allotment letter as requested by the petitioner.

48. The petitioner having no other recourse, applied for extension of time on the very next day i.e. 04.03.2020. Even subsequent thereto, the petitioner kept on sending her representations to the respondent/DDA, on regular intervals, with the latest email sent on 01.02.2021, requesting the respondent/DDA to issue a fresh demand-cum-allotment letter so that she can avail the loan facilities from the banking institutions to pay off the remaining 75% of the bid amount. The respondent/DDA did not, however, respond to the same.

49. The DDA has also taken a stand that the petitioner was covered by the circular dated 02.12.2020, therefore, no separate demand letter was required to be issued extending the time. To appreciate merit in this stand, it would be apt to reproduce the relevant excerpts of the said circular dated 02.12.2020, which reads thus:

> *"A) In all cases of disposal of properties through E-Auction (Land Disposal),* ***where demand letter was issued for 75% of bid amount on or after 01.10.2019****, as a one-time relief measure, EOT will be deemed to be granted, without any written request of bidder, till 31.12.2020 for payment of 75% of bid amount (with applicable interest)"*

(emphasis supplied)

50. Having perused the above quoted portion of the circular, which was perhaps issued keeping in view the difficulties faced by the public due to Pandemic Covid-19, the Court finds that the benefit of the same is available to the bidder to whom the demand-cum-allotment letter was issued on or after 01.10.2019, but the date of issue of demand-cum-allotment letter to the petitioner was 30.07.2019 i.e. prior to the cut-off date of 01.10.2019. Therefore, the benefit of said circular would not extend to the petitioner, and the DDA cannot absolve itself from the obligation to issue fresh demand letter to the petitioner, citing said circular. In any case, the petitioner has categorically asserted that the information of said circular was received by the petitioner *vide* e-mail dated 22.12.2020, when only 09 days were left before the last date i.e. 31.12.2020, which position is not in dispute. Further, the said circular did not provide clear 90 days to the petitioner, as was undertaken by the DDA. In fact, the total extension time given by the said circular was for 30 days starting from 02.12.2020 till 31.12.2020.

51. It is also pertinent to note that General Clause 9[2] of the General Terms and Conditions of the Tender document provides that the successful bidder may pay the cost of the plot by availing loan facility from financial institutions for which the DDA would give NOC/mortgage permissions. This clause thus, recognizes that the successful bidder could arrange loan for

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[2] *"9. .....*

Note: The successful bidder may pay the cost of the plot by availing loan facility from financial institutions for which the DDA offer NOC/mortgage permissions."

making payment towards the cost of allotted plot for which DDA would give necessary NOC or permission for mortgage. Seen in this light as well, the Court finds that the request of the petitioner to issue fresh demand letter to enable her to arrange the loan for paying balance 75% of the bid price, was justified.

52. As regards DDA's contention that the petitioner has not placed any document on record to show that she had applied for loan and but it was rejected on account of an invalid demand-cum-allotment letter, the same is merely been noted to be rejected. The petitioner has illustratively placed on record a printout[3] from the website of the HDFC bank which mentions that a copy of a valid allotment letter is required for loan approval for commercial plots. Even otherwise, it is trite that for processing the loan to purchase property, there has to be a valid agreement to sell or demand-cum-allotment letter.

53. The fact, however, remains that the DDA had an obligation to issue fresh demand-cum-allotment letter to the petitioner giving her clear 90 days to pay the balance bid amount of 75%, and such obligation was independent of petitioner's requirement for fresh demand-cum-allotment letter to raise loan from the financial institutions.

54. Notably, the original demand-cum-allotment dated 30.07.2019 lost its validity owing to a judicial restraint, a circumstance not attributable at all to the conduct of the petitioner. The petitioner rather, acted with promptitude on 23.12.2019 i.e. within 18 days of dismissal of Mr. Manjeet Singh's writ

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[3] *Annexure P-4 to the rejoinder*

petition on 05.12.2019 and consequent vacation of restraint order, and represented to the DDA to issue fresh demand letter. The DDA instead of issuing fresh demand letter, the issuance of which has been found to be imperative by this Court, cancelled the bid/allotment of the petitioner and forfeited the earnest money deposited by the petitioner, *vide* impugned order dated 01.06.2021.

55. The DDA being an instrumentality of the State had an obligation in law to act fairly, justly and reasonably which is the requirement of Article 14 of the Constitution of India. In the facts and circumstances of the present case, as discussed above, this Court is of the view that the DDA has acted in contravention of the abovesaid requirement of Article 14 and the action of cancellation of bid/allotment and forfeiture of earnest money is unreasonable and arbitrary, which needs to be set right by issuance of suitable directions.

56. However, before parting, the decisions relied upon by the DDA may also be adverted to. The reliance placed by the DDA on the decisions in ***Jitin Garg*** (supra) and ***Ashutosh Kumar*** (supra) is misplaced. In the said cases, the bidders were squarely covered under the circular dated 02.12.2020 and hence, were required to deposit the remaining amount i.e. 75% of the remaining bid amount latest by 31.12.2020, which they failed to do. Therefore, the request of the bidders to extend time to deposit the remaining amount of 75% of the bid value was rejected by the DDA, and the orders of DDA were affirmed by this Court. However, in the present case, as noted above, the petitioner was not covered by the said circular, rather DDA had undertaken to grant 90 days to the petitioner in the event Mr. Manjeet

Singh's writ petition is dismissed. This Court has already held that such undertaking ought to have been complied with by the respondent/DDA by issuance of fresh demand-cum-allotment letter, especially since the validity of earlier demand-cum-allotment letter had expired when restraint order passed in Manjeet Singh's writ petition was in operation. Therefore, it is the DDA which has failed to discharge its obligation.

57. In ***Narendra Kapoor*** (supra) the highest bidder was not vigilant to inquire about the issuance of the demand-cum-allotment letter and deposit the amount in terms thereof, nor did he apprise the DDA that he needed a valid demand-cum-allotment letter to avail loan from banking institutions. However, the present case is distinguishable on facts as the demand-cum-allotment letter issued by the DDA had become invalid on account of restraint order issued in other writ petition and not due to any laxity on part of the petitioner.

58. In light of the above discussion, the writ petition is allowed. Consequently, the impugned order dated 01.06.2021 is quashed and the respondent/DDA is directed to issue a fresh demand-cum-allotment letter to the petitioner within a period of four weeks from today providing 90 days clear time to the petitioner to deposit the remaining 75% of the bid amount.

59. The petition along with pending application, is disposed of in the above terms.

VIKAS MAHAJAN, J

NOVEMBER 22, 2025
N.S. ASWAL