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

+ **W.P.(C) 4183/2021**

ANIL KUMAR MALHOTRA

.....Petitioner

Through: Mr. D.K. Mehta, Adv.

versus

DELHI DEVELOPMENT AUTHORITY

.....Respondent

Through: Ms. Mrinalini Sen Gupta, Ms. Aditi Singh, Mr. Aman, Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **14.01.2026**

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following prayers:-

“i) Issue an appropriate Writ/Order/Direction whereby the two letters No. F.No.14(2)/2019/CE/1368 and No. F.No.14(1)/2019/CE/1370 both dated 31.12.2020 issued by the Respondent/DDA cancelling the allotment of the two Shops/Units bearing No. 16 and 14 Ground Floor and measuring 16.99 sq. mtrs. and 13.23 sq. mtrs. respectively made to the Petitioner be quashed;

ii) Issue a Writ of Mandamus or any other appropriate Writ/Order/Direction directing the Respondent/DDA to sign and execute the Conveyance Deed and thereafter issue letter of possession in respect of two Shops/Units bearing No. 16 and 14 Ground Floor and measuring 16.99 sq. mtrs. and 13.23 sq.



mtrs. To the Petitioner;

iii) Issue a Writ of Prohibition prohibiting the Respondent/DDA to not allot the said two Shops/Units bearing No. 16 and 14 Ground Floor, District Center, Laxmi Nagar, Delhi - 110 092 and measuring 16.99 sq. mtrs. and 13.23 sq. mtrs. to any other person/ firm/ company/ agency/ institution except the Petitioner;”

2. The brief facts are that the respondent i.e., Delhi Development Authority (“**DDA**”) published an online tender auction in respect of the Shop No.16 and Shop No. 14, located on the Ground Floor at District Centre, Laxmi Nagar, Delhi-110092. The reserve price of Shop No. 16 was Rs.23,40,842/- and of Shop No. 14 was Rs.18,25,554/-.
3. The petitioner participated in the online tender auction and before the online auction, deposited a sum of Rs.5,85,211/- as earnest money in respect of Shop No. 16 and a sum of Rs.4,56,389/- as earnest money in respect of Shop No. 14 through NEFT.
4. In the auction for the said two shops, the petitioner emerged as the highest bidder and accordingly he was allotted both the shops.
5. Subsequently, the respondent issued an Letter of Intent (“**LOI**”), in favour of the petitioner. The petitioner further paid a sum of Rs.5,53,500/- for Shop No. 16 and Rs.4,19,500/- for Shop No. 14 and alongwith the said amount the petitioner also paid the Auction Award fee of Rs.51,118/- for Shop No. 16 and Rs.39,333/- for Shop No.14.
6. On 22.10.2019, the petitioner received a two Demand Letter from the respondent in respect of the said two shops, asking for full and final payment, for which the petitioner was given 90 days.



7. In pursuance to the Demand Letters, the petitioner deposited a sum of Rs.34,16,176/- on 13.01.2020 in respect of Shop No.16 and a sum of Rs.26,27,710/- on 14.01.2020 for Shop No. 14. Hence, the entire amount for said two shops has been paid by the petitioner, within the prescribed time.

8. Despite the entire amount of bid being deposited and repeated reminders, the respondent did not hand over the possession of the said two shops to the petitioner.

9. After about a year of having taken the entire amount in respect of the said two shops, the respondent issued a letter to the petitioner dated 31.12.2020 whereby it is stated that *“due to some administrative reasons the competent authorities have cancelled the above allotment & approved the refund of the amount deposited by you”*.

10. Hence, the present petition.

11. Ms. Sen, learned standing counsel for the respondent, has drawn my attention to paragraph No.6(b) of the counter-affidavit, which reads as under:-

“b. While floating this E-auction, the Reserve Price for the premises in question was calculated by the Respondent taking the Category 'F' of the notified circle rates. However, in the meantime a complaint dated 25th December 2020 was received, stating that Laxmi Nagar District Centre was 'D' Category and not 'F'. This fact was then immediately brought to the notice of higher authorities. The bona-fide mistake in calculation was examined by the Finance Wing and in view of the gravity of the issue involved; the Competent Authority in this case Vice-Chairman, DDA (Respondent) was constrained to cancel the



allotment of the Petitioner on 25th December 2020 and approved the refund of their deposited amount and further approved to put the shops for re-auction with correct reserve price. The decision of Competent Authority was communicated to the Petitioner vide letter dated 31 December 2020 with request to apply for refund along with all the payment details, bank details such as Bank Account No., IFSC code etc. and a cancelled cheque so that the amount deposited by him may be refunded at the earliest. The True Copy of the related file noting are annexed herewith as Annexure-A.”

12. Ms. Sen, learned standing counsel for the respondent, submits that there was an error at the DDA's end and the circle rate of the kiosks in question were calculated on the basis of the assumption that the property was actually in category “D” colony but the circle rate was calculated on the basis category “F” colony. Hence, the reserve price was much lower than what it should have been. She further states that the 2 shops/kiosks are to be re-auctioned and any other direction would cause loss to the public exchequer. She further draws my attention to the counter-affidavit where the same is also reiterated.

13. Mr. Mehta, learned counsel for the petitioner, states that the petitioner is agreeable to refund of the money provided the same is returned along with interest as demanded by the DDA in the “Terms and Conditions For Allotment of Built Up Shop/ Office/Kiosk, On Freehold Basis” of the online tender auction notice. In this regards, he draws my attention to paragraph No. 8 under the heading “2. E-auctioning and Submission of Documents”, which reads as under:-



“8.The demand-cum-allotment letter would be sent to the successful bidder immediately after the bid is accepted by the competent authority. The highest bidder shall make the payment of balance 75% of the amount demanded vide demand cum allotment letter referred to above within 30 days from the date of issue of demand letter by bank draft/ pay order/NEFT/RTGS payable at Vikas Sadan INA New Delhi branches of Central Bank of India/ State Bank of India shall submit a copy of the bank Challan to Dy. Director (CE). The competent authority may, in his absolute discretion, extend the last date of payment up to a maximum period of 180 days beyond the last date of payment with reference to the date of issue of demand letter subject to payment of interest on the balance amount at rate of 18% per annum where the delay does not exceed by 30 days and at the rate of 25% per annum where the delay exceeds 30 days provided that bidder/auctioner has applied to the competent authority for grant of extension of payment within 20 days from the date of issue of the demand letter.”

14. I have heard learned counsel for the parties.

15. It is undisputed fact that the petitioner has made the entire payment to the respondent in respect of the two shops without any delay and in accordance of the terms and conditions of the online tender auction notice. There are no allegations of collusion or fraud committed by the petitioner.

16. The fault lies totally at the respondent's end, as before issuing auction notice, it is the responsibility of the authority issuing auction notice to make sufficient verifications of the property and see the category it lies in.

17. The petitioner participated in the auction, was declared as the



successful bidder and duly made the entire payment. The respondent has utilized the said consideration and the amount deposited by the petitioner has been with the respondent ever since the date of the deposit.

18. A perusal of the paragraph No. 8 under the heading “2. E-auctioning and Submission of Documents” from the auction notice (reproduced above) shows that the respondent is charging interest on non-payment of the amount at the rate of 18% p.a. where the delay in payment is under 30 days from the prescribed date and at the rate of 25% p.a. where the delay exceeds 30 days from the prescribed date.

19. If the respondent is charging interest on non-payment of the amount at the rate of 18% p.a. where the delay is under 30 days from the prescribed date and at the rate of 25% p.a. till the date of payment where the delay exceeds 30 days from the prescribed date, the same is the accepted rate of interest to be charged from the respondent as well.

20. Ms. Sen, learned standing counsel for the respondent, further draws my attention to the letter of 31.12.2020 which reads as under:-



TRUE TYPED COPY OF ANNEXURE 'L'

**DELHI DEVELOPMENT AUTHORITY
COMMERCIAL ESTATE BRANCH**

F.No.14(1)/2019/CE/1370

Dated: 31.12.2020

To,

Anil Kumar Malhotra,
71 Shankar Vihar
Vikas Marg
Delhi 110092

Sub: cancellation of Unit No. 14 District Centre Laxmi Nagar allotted through E-auction

Sir/Madam

This is in reference with the unit allotted to your through e-auction held on 29.07.2019. In this regard, it is to state that due to some administrative reasons the competent authorities have canceled the above allotment & approved the refund of the amount deposited by you.

Therefore, it is highly regretted to inform you that the unit allotted to you has been cancelled. you are hereby, requested to apply for refund along with all the payment details, bank details such as bank account No., IFSC Code etc. and a cancelled cheque so that the Amount deposited by you may be refunded at the earliest.

TC
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Yours Faithfully

Acctt. Director (CE)



21. A perusal of the letter, reproduced above, I am of the view that merely writing a letter does not tantamount to refunding the money. The petitioner is not required to apply for a refund in case the respondent is the one cancelling the allotment on its own.
22. It is the duty of the respondent to return the money and the bank details, etc. are already available with the respondent as the petitioner has made payments through NEFT credit.
23. A perusal of the letter also shows that there is no mention of the respondent refunding the amount with interest. Hence, the same only seems to be an eye-wash.
24. For the said reasons, the amount paid by the petitioner shall be returned by the respondent along with the interest at the rate of 18% p.a. for 30 days from the date of deposit and thereafter at the rate of 25% p.a., within 4 weeks from today.
25. In case, the respondent fails to comply with the directions passed in this order, the petitioner will be at liberty to revive the petition.
26. The writ petition is disposed of in the above terms.

JASMEET SINGH, J

JANUARY 14, 2026/DM