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

Judgment reserved on: 20.03.2026

Judgment pronounced on:03.07.2026

+ **W.P.(C) 6761/2021, CM APPL. 21290/2021 &, CM APPL. 23374/2021**

PRAVEEN GUPTA

...Petitioner

Through: Mr. Zeeshan Hashmi, Adv.

versus

DELHI DEVELOPMENT AUTHORITY

... Respondent

Through: Mr. Vaibhav Agnihotri, ASC, DDA
with Mr. Vidit Pratap Singh Adv.

+ **W.P.(C) 7612/2021 & CM APPL. 23825/2021**

DEEVIK GARG

...Petitioner

Through: Mr. Zeeshan Hashmi, Adv.

versus

DELHI DEVELOPMENT AUTHORITY

...Respondent

Through: Mr. Vaibhav Agnihotri, ASC, DDA
with Mr. Vidit Pratap Singh Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH



J U D G M E N T

1. These are writ petitions filed under Article 226 of Constitution of India seeking directions against the respondent/Delhi Development Authority (“**DDA**”) for handing over possession of Industrial Plot No. B-349, Mangol Puri Industrial Area, Phase-I, Delhi, and Plot No. 86, Pocket E-1, Sector-7, Rohini, New Delhi.

FACTUAL BACKGROUND in W.P. (C) 6761/2021

2. In W.P. (C) 6761/2021 (hereinafter referred to as “the case of Praveen Gupta”) the petitioner was allotted Industrial Plot No. B-349, Mangol Puri Industrial Area, Phase-I, Delhi, pursuant to an e-auction conducted on 26.04.2019 wherein the petitioner emerged as a successful bidder. Pursuant thereto, the petitioner deposited 25% of the premium amount and was issued a Demand-cum-Allotment Letter dated 18.07.2019 requiring payment of the balance 75% premium amount of Rs. 2,10,93,000/- within the stipulated period.
3. Upon the petitioner’s request, the respondent granted successive extensions of time *vide* letters dated 23.10.2019 and 19.02.2020, the latter extension remaining valid up to 20.04.2020. Before the expiry of the extended period, the COVID-19 pandemic struck and all offices were closed. Due to this the petitioner sought further extension by email dated 18.04.2020 and thereafter arranged finances through a loan sanctioned by Axis Bank on 27.07.2020.
4. The petitioner thereafter addressed several emails between September and December 2020 requesting permission and necessary directions for depositing the balance premium amount. Despite repeated representations, no response was received from the



respondent. Consequently, the petitioner, on its own accord, deposited the entire balance premium amount of Rs. 2,10,93,000/- with the respondent on 29.12.2020.

5. After making the payment, the petitioner repeatedly approached the respondent seeking possession of the plot. However, *vide* letter dated 09.04.2021, the respondent informed the petitioner that the bid stood cancelled and the earnest money stood forfeited on the ground that the petitioner had failed to deposit the premium amount within the period allegedly extended by the Circular dated 02.12.2020. Subsequently, a corrigendum dated 17.06.2021 to the cancellation letter dated 09.04.2021 was also issued by the respondent.
6. It is the case of the petitioner that despite having deposited the entire balance premium amount prior to 31.12.2020; the respondent proceeded to cancel the allotment. Further, the Circular dated 02.12.2020, on the basis of which the impugned action was taken, was neither communicated to the petitioner nor made publicly available. The petitioner ultimately obtained a copy of the said Circular in July 2021 and has challenged its validity, as well as the consequential communications dated 09.04.2021 and corrigendum dated 17.06.2021 to the cancellation letter.

FACTUAL BACKGROUND in W.P. (C) 7612 of 2021

7. Similar to the facts stated above, the connected writ petition W.P. (C) 7612/2021 (hereinafter referred to as “the case of Deevik Garg”) has been filed against DDA for handing over possession of Plot No. 86, Pocket E-1, Sector-7, Rohini, New Delhi, which was allotted to the petitioner pursuant to an e-auction conducted on 24.04.2019.



8. The petitioner emerged as the highest bidder for the aforesaid residential plot with a bid amount of Rs. 3,87,57,040/-. Consequently, a Letter of Intimation dated 21.06.2019 was issued in favour of the petitioner and the petitioner deposited 25% of the amount. Thereafter, the respondent issued a demand notice dated 04.09.2019 requiring payment of the balance sale consideration amounting to Rs. 2,90,67,880/-.
9. On 15.11.2019, the petitioner sought an extension of 180 days for making the balance payment. The said request was accepted by the respondent *vide* communication dated 27.02.2020, extending the time for payment till 31.05.2020. During the period affected by the COVID-19 pandemic, the petitioner addressed an email dated 30.05.2020 and subsequent communications requesting a further extension of time. Subsequently, the respondent issued a Circular dated 17.06.2020 extending the period for making payments till 31.08.2020.
10. On 02.12.2020, the respondent issued a Circular prescribing timelines for payment by successful bidders. In respect of allottees who had been issued demand letters prior to 01.10.2019, the Circular stipulated 01.11.2020 as the last date for payment. In cases where demand letters had been issued after 01.10.2019, the date for payment was stated to be 31.12.2020.
11. Thereafter, the petitioner deposited the balance sale consideration as well as the applicable interest. The principal amount was deposited on 18.12.2020 and the interest component was deposited on 24.12.2020.



12. The petitioner also submitted the requisite documents in connection with delivery of possession. However, possession of the subject plot has not been handed over by the respondent.

SUBMISSIONS ON BEHALF OF THE PETITIONERS

13. Mr. Zeeshan Hashmi, learned counsel for the petitioners, in both the petitions submits that the impugned Circular dated 02.12.2020 is arbitrary, unreasonable and violative of Article 14 of the Constitution of India. It is contended that the Circular creates two classes of allottees one before 01.11.2020 and one after, from a homogeneous category of successful bidders without any intelligible differentia or rational nexus with the object sought to be achieved.
14. It is further submitted that the Circular was issued on 02.12.2020, yet prescribed 01.11.2020 as the cut-off date for one category of allottees. Consequently, the benefit contemplated under the Circular stood exhausted even before the Circular came into existence, thereby rendering compliance impossible and depriving affected allottees of any meaningful opportunity to avail its benefit.
15. Learned Counsel submits that the petitioners were diligent throughout and had continuously approached the respondent seeking extension of time during the unprecedented circumstances created by the COVID-19 pandemic. The respondent neither rejected the requests nor communicated any final decision thereon. Having remained silent despite repeated representations, the respondent cannot now penalise the petitioners for alleged delay in payment.
16. It is further argued that the petitioner in the case of Deevik Garg had deposited the entire balance premium amount, together with applicable interest, prior to the impugned action of cancellation or



refusal of possession. In these circumstances, no loss whatsoever has been caused to the respondent. The action of the respondent in refusing to honour the allotments despite receipt of the entire consideration is stated to be arbitrary, disproportionate and contrary to the principles of fairness that govern State action.

17. Reliance is placed upon *V.P. Sunita v. DDA, 2013 SCC OnLine Del 5108*, *Raj Kumar Sharma v. DDA, LPA No. 188/2008*, *Mohd. Sultan v. DDA, 176 (2011) DLT 788*, *Kailash Nath Associates v. DDA, (2015) 4 SCC 136*, *R.K. Saxena v. DDA (2001) 4 SCC 137* and *Dhanpothowar Co-operative Group Housing Society Ltd. v. DDA 2001 AIR (Del) 65*, to contend that delay in payment can be condoned in appropriate circumstances, that DDA possesses the power to extend time, and that acceptance of delayed payments may amount to a deemed extension of time.
18. On the aforesaid grounds, it is prayed that the impugned Circular and consequential actions taken thereunder be set aside and the respondent be directed to honour the allotments and hand over possession of the respective plots to the petitioners.

SUBMISSIONS ON BEHALF OF THE RESPONDENT

19. Mr. Vaibhav Agnihotri, learned ASC for the respondent submits, that the controversy in the present petition is confined to the question as framed on 03.08.2021, whether the *suo motu* payment made by the petitioner after the expiry of the prescribed and extended timelines could be accepted so as to entitle the petitioner to possession of the subject plot, despite there being no policy permitting regularization of such delayed payments.



20. The respondent in the case of Praveen Gupta has placed reliance on the following table to state that the petitioner failed to make timely payments.

Event	Timeline	Status
Original period for payment of balance 75% premium	18.07.2019-15.10.2019	Not paid
First extension (90 days)	16.10.2019 - 13.01.2020	Not paid
Second extension (90 days)	14.01.2020-12.04.2020	Not paid
Covid extension (90 days)	13.04.2020 -11.07.2020	Not paid
One-time Covid relief by Circular dated 02.12.2021	01.11.2020	Not paid
Actual payment by petitioner	29.12.2020	Paid belatedly

21. Mr. Agnihotri, submits that under Rule 28 of the Delhi Development Authority (Disposal of Developed Nazul Land) Rules, 1981, read with Clauses 9 and 10 of the Tender Document governing the e-auction, the competent authority was empowered to extend the time for payment by a maximum period of 180 days upon sufficient cause being shown. In the event of failure to make payment within the stipulated or extended period, the bid automatically stood liable to cancellation and the earnest money deposit was liable for forfeiture.

22. It is further submitted that owing to the extraordinary circumstances arising out of the COVID-19 pandemic, the respondent granted an additional extension of 90 days through Circular dated 17.06.2020



pursuant to directions and approval of the Hon'ble Lieutenant Governor. The petitioners, however, failed to make payment even within the said extended period.

23. Learned counsel submits that thereafter, as a one-time relief measure, the respondent issued Circular dated 02.12.2020 whereby delays were regularized in cases where the demand letter for payment of the balance premium had been issued prior to 01.10.2019, provided full payment had been made by 01.11.2020. It is contended that the said policy was intended to protect genuine bidders who had made efforts to arrange funds during the pandemic but were unable to adhere strictly to the original schedule.
24. It is also stated that, the petitioners did not satisfy the conditions mentioned in the Circular dated 02.12.2020 as the balance premium was deposited only on 29.12.2020 and 18.12.2020, i.e., after the cut-off date of 01.11.2020. Consequently, the petitioners were not entitled to the benefit of the one-time regularization scheme.
25. It is submitted that no extension of time beyond 01.11.2020 was granted to any successful bidder falling within the category applicable to the petitioner and that no policy exists for regularization of payments made *suo motu* after the expiry of the extended timelines.
26. Learned counsel further contends that the petitioners' delayed payment could not confer any vested right to seek possession of the plot. Since the payment was made beyond all permissible and policy-based extensions, the respondent was justified in treating the allotment as cancelled and proceeding in accordance with the tender conditions, including forfeiture of the earnest money deposit and refund of the balance amount deposited subsequently.



27. Similarly with respect to the case of Deevik Garg it has been argued, that even the extended timelines were not adhered to as evident from the chart reproduced below:

Event	Timeline	Status
Original period for payment of balance 75% premium (90 days)	04.09.2019 - 03.12.2019	Not Paid
Request for extension of time by petitioner	15.11.2019	-
First Extension granted on 05.02.2020 (180 days)	03.12.2019 - 31.05.2020	Not Paid during Extension
Second Extension (90 days)	13.04.2020 - 11.07.2020	Not Paid
Third Extension as per Circular dated 02.12.2020	Till 01.11.2020	Not Paid
Actual Payment by the petitioner	18.12.2020	Paid belatedly

28. Reliance is placed upon *Shikhar v. National Board of Examination*, WP No. 208 of 2022, *State of Punjab v. Ram Lubhaya Bagga*, (1998) 4 SCC 117, *Hirandra Kumar v. High Court of Allahabad*, (2020) 17 SCC 401, *Directorate of Film Festivals v. Gaurav Ashwin Jain*, (2007) 4 SCC 737 and *Ugar Sugar Works Ltd. v. Delhi Administration*, (2001) 3 SCC 635.

29. It is further submitted that grant of any relief in the present case, would create an undesirable precedent and encourage similarly situated bidders, who failed to comply with payment timelines, to seek regularization through judicial intervention. Reliance in this regard is placed upon *Jitin Garg v. DDA*, LPA 419/2021.



ANALYSIS AND FINDINGS

30. I have heard the learned counsels for the parties and perused the material on record.
31. The limited question that arises for my consideration is whether the Circular dated 02.12.2020 is valid as per law and whether the payment of the petitioners made beyond the extended timelines should be accepted by DDA?
32. The Circular dated 02.12.2020 is reproduced as under:

A-4, Vikas Sadan, New Delhi

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Computer no. 4018

Dated: 02-12-2020

Circular

The undersigned is directed to convey the approval of the Competent Authority for points mentioned below:

- 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).
- B) In all cases of disposal of properties through E-Auction (Land Disposal), where demand letter was issued for 75% of bid amount before 01.10.2019 and full payment have been made with respect to premium of the property/plot by 01.11.2020, as a one-time relief measure, the delay period, if any, will be treated as automatically regularized post facto (With applicable interest).

This is issued with the approval of Competent Authority.

33. The above Circular, especially to the extent of point B cannot be legally sustained. Though the respondent has sought to characterize the said Circular as granting an extension of time for making the balance payment, a plain reading of it demonstrates otherwise. The



Circular, issued on 02.12.2020, stipulates that in respect of allottees who had been issued demand letters prior to 01.10.2019, the last date for making payment would be 01.11.2020. Consequently, on the very date the Circular came into force, the period for compliance had already expired. Such a stipulation is self-defeating and cannot, by any stretch of imagination, be regarded as an extension of time.

34. An extension necessarily contemplates the grant of a future opportunity to perform an obligation. A notification which merely informs a party that the period for compliance had already expired prior to its own issuance is arbitrary on the face of it and goes against the principles of fairness and reasonableness that govern administrative action.
35. The main challenge to the Circular by the petitioners is that it is violative of Article 14 of the Constitution of India.
36. In *S. Seshachalam v. Bar Council of T.N.*, (2014) 16 SCC 72 the Hon'ble Supreme Court held as under:

“21. Article 14 of the Constitution of India states that:

“14. Equality before law.—The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India.”

Article 14 forbids class legislation but it does not forbid reasonable classification. The classification, however, must not be “arbitrary, artificial or evasive” but must be based on some real and substantial bearing, a just and reasonable relation to the object sought to be achieved by the legislation. Article 14 applies where equals are treated differently without any reasonable basis. But where equals



and unequals are treated differently, Article 14 does not apply. Class legislation is that which makes an improper discrimination by conferring particular privileges upon a class of persons arbitrarily selected from a large number of persons all of whom stand in the same relation to the privilege granted and between those on whom the privilege is conferred and the persons not so favoured, no reasonable distinction or substantial difference can be found justifying the inclusion of one and the exclusion of the other from such privilege.

22. While Article 14 forbids class legislation, it does not forbid reasonable classification of persons, objects and transactions by the legislature for the purpose of achieving specific ends. But classification must not be “arbitrary, artificial or evasive”. It must always rest upon some real and substantial distinction bearing a just and reasonable relation to the object sought to be achieved by the legislation. Classification to be reasonable must fulfil the following two conditions: firstly, the classification must be founded on the intelligible differentia which distinguishes persons or things that are grouped together from others left out of the group. Secondly, the differentia must have a rational relation to the object sought to be achieved by the Act. The differentia which is the basis of the classification and the object of the Act are two distinct things. What is necessary is that there must be nexus between the basis of classification and the object of the Act. It is only when there is no reasonable basis for a classification that legislation



making such classification may be declared discriminatory.”

- 37.** Applying the aforesaid principles to the facts of the present case, it is clear that the classification introduced by the impugned Circular dated 02.12.2020 fails to satisfy either of the twin tests under Article 14 of the Constitution. The Circular classifies successful bidders into two categories on the basis of whether the demand letter was issued before or after 01.10.2019 and accordingly prescribes the deadline for payment of balance amount. While the respondent does have the prerogative to decide a cut-off date, it does not mean the same can arbitrarily be set to an earlier date when the time frame has already elapsed.
- 38.** The Circular dated 02.12.2020, while purporting to extend the time for payment, retrospectively stipulates that Category B allottees ought to have made payment by 01.11.2020, a date which had already elapsed more than a month prior to the issuance of the Circular itself. Thus, unlike Category A allottees who were granted a real and effective extension till 31.12.2020, Category B allottees were afforded no opportunity whatsoever to avail the benefit of the Circular. The so-called extension, insofar as Category B is concerned, is therefore illusory.
- 39.** The respondent has failed to demonstrate that the said date constitutes an intelligible differentia having any rational relation to the object sought to be achieved. Admittedly, the object of issuing the Circular was to grant relaxation in view of the unprecedented disruption caused by the COVID-19 pandemic. The financial hardship occasioned by the pandemic was common to all allottees



and was not dependent upon the date of issuance of the demand letter. Thus, all allottees who had yet to make the balance payment constituted one homogeneous class and there existed no rational basis to distinguish one set of such allottees from another merely on the basis of the date of issuance of the demand letter.

- 40.** The reason for justifying the impugned classification by contending that the purpose of point B was to protect the interests of genuine bidders who had already deposited the balance consideration within the prescribed period. This justification, in my opinion, is misconceived.
- 41.** The petitioners in the instant case, do not seek parity with those allottees who had already fulfilled their tender obligations within time. The challenge is not between those who paid and those who defaulted, but between two classes of defaulting allottees, namely those whose demand letters were issued prior to 01.10.2019 and those whose demand letters were issued thereafter. The Circular itself does not distinguish between genuine and non-genuine bidders; rather, it distinguishes solely on the basis of the date of issuance of the demand letter.
- 42.** The respondent has failed to establish how such date bears any rational nexus with the so called stated object of protecting genuine bidders. In fact according to me the objective of issuing the Circular is clear, i.e., to assist buyers who were hit by adverse COVID 19 pandemic.
- 43.** Even otherwise, the justification advanced by the respondent cannot be accepted. The interests of those allottees who had already made timely payments were never likely to be prejudiced by granting additional time to other allottees who were similarly affected by the



pandemic. Such allottees had already secured their allotments and no vested right of theirs would have been defeated by extending the payment period to others.

- 44.** The respondent has not demonstrated any prejudice, financial or otherwise, which would have been caused to timely-paying allottees had the benefit of extension been uniformly granted. In the absence of any such demonstrable prejudice, the purported object of protecting genuine bidders remains wholly disconnected from the classification sought to be introduced by the impugned Circular.
- 45.** The respondent's own conduct further exposes the irrationality of the impugned condition. As evident from the record, the respondent had itself exercised its discretion to extend the payment period beyond the original timeline by communications dated 27.02.2020 and 17.06.2020. This clearly demonstrates that the respondent possessed the authority to relax the payment schedule in appropriate circumstances. Having exercised such discretion in view of the extraordinary situation created by the pandemic, the respondent could not arbitrarily deny a meaningful extension to one class of similarly situated allottees without disclosing any rational basis for such distinction.
- 46.** I am of the view that point B of the Circular dated 02.12.2020 is founded upon an artificial and irrational classification which bears no nexus whatsoever to the object sought to be achieved. The distinction based solely upon the date of issuance of the demand letter neither protects genuine bidders nor advances the object of mitigating the hardship caused by the COVID-19 pandemic. Instead, it arbitrarily deprives one class of similarly situated allottees of any meaningful extension while conferring a substantive benefit upon



another without any discernible rationale. The impugned condition thus fails both the tests of reasonable classification under Article 14 of the Constitution and is liable to be declared arbitrary, discriminatory and unconstitutional. To that extent, point B of the Circular dated 02.12.2020 deserves to be struck down.

47. Further the reliance placed on *Jitin Garg (supra)* does not really aid the respondent as the case had a different factual position. It is helpful only to the extent that the Circular dated 02.12.2020 was available in the public domain, a contention of the petitioner which I reject. However the case of Jitin Garg was with respect to an allottee falling under the category A wherein although an actual extension was provided the same was not adhered to therefore resulting in forfeiture of money.
48. Similarly reliance on *Meerut Development Authority (supra)* is misplaced as the judgment deals with the nature of rights of a bidder participating in the tender process. The petitioners are not challenging the tender document but the Circular dated 02.12.2020.
49. Even the reliance on the case of *Jitin Verma v. DDA, LPA 468/2021* is misplaced as in *Jitin Verma (supra)* there was a delay of 13 days in making the deposit and the issue did not concern the Circular dated 02.12.2020 which is the main bone of contention in the present case.
50. Similarly respondent has also placed reliance on *Shikhar (supra)* to state that fixing of the cut-off date is within the domain of the executive and is a policy decision. While the same is true, the judgment of *Shikhar (supra)* also states that a cut-off date will be arbitrary and *ultra vires* if fixed without any rational basis or is



manifestly unreasonable leading to violation of Article 14 as has happened in the present case.

51. I have also perused the other judgments relied on by the respondent and the same also do not aid the respondent's case as there is no quarrel with the settled law that a policy decision is not within the province of the judiciary to test the correctness as long as it is not tainted by malafides or unreasonableness or arbitrariness.
52. In the peculiar facts and circumstances of the case of Praveen Gupta, the petitioner had, on its own accord, deposited the balance 75% of the bid amount, i.e., Rs. 2,10,93,000/-, on 29.12.2020. Despite such payment, the cancellation letter dated 09.04.2021, read with the corrigendum dated 17.06.2021, states that the H-1 bidder had failed to deposit the balance amount by the "extended" deadline of 01.11.2020. As already observed hereinabove, 01.11.2020 was not an extension of time granted to the petitioner. Consequently, the foundation of the cancellation order is factually and legally untenable, and the same cannot be sustained.
53. Likewise, in the case of Deevik Garg, the balance consideration, along with the applicable interest for delayed payment, was deposited on 24.12.2020. Accordingly, the cancellation order in his case also cannot be upheld.
54. Since both the petitioners have made the entire deposit before the last date i.e., 31.12.2020 therefore the petitions are allowed.

CONCLUSION

55. In view of the above, the present petitions are allowed and point B of the Circular dated 02.12.2020 is struck down as being discriminatory and violative of Article 14 of the Constitution of India.



56. Accordingly, the petitioners shall be entitled to:

- (i) In W.P.(C) 6761/2021 - Allotment of Industrial Plot No. B-349, Mangol Puri Industrial Area, Phase-I, Delhi.
- (ii) In W.P.(C) 7612/2021 - Allotment of Plot No. 86, Pocket E-1, Sector-7, Rohini, New Delhi.

57. The balance amount and interest, if any, along with incidental charges shall be communicated to the petitioners by the respondent within 4 weeks from the pronouncement of the judgement. The payments of the said amount shall be made within 4 weeks thereafter and thereon the allotment letter of the plots shall be handed over to the petitioners.

58. Accordingly, the present petitions are disposed of along with pending applications, if any.

JASMEET SINGH, J

JULY 03rd, 2026/DE