



2026:AHC:58233

Reserved on 27.02.2026

Delivered on 20.03.2026

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 12988 of 2025

Anil Kumar

.....Petitioner(s)

Versus

State of U.P. and 2 others

.....Respondent(s)

Counsel for Petitioner(s)	: Ajay Kumar Singh, Ashish Kumar Singh, Devansh Misra
Counsel for Respondent(s)	: Aditya Krishnatreya, Amit Krishna, C.S.C., J. N. Maurya, Mihir Ghosh Roy, Shiv Prakash Gupta

Court No. - 36

HON'BLE ARUN KUMAR, J.

1. Heard Sri Navin Sinha, learned Senior Counsel assisted by Sri Devansh Misra, learned counsels for the petitioner, Sri P. S. Chauhan, learned Standing Counsel for the respondent no.1, Sri Alok Kumar Yadav, learned Senior Counsel assisted by Sri J. N. Maurya, Sri Shiv Prakash Gupta and Sri Chandra Pal Tiwari, learned counsels for the respondent no.2, Sri Shashi Nandan, learned Senior Counsel assisted by Sri Mihir Ghosh Roy and Sri Utkarsh Sharma, learned counsels for the respondent no.3 and Sri Amit Krishan, learned Senior Counsel assisted by Sri Aditya Krishnatreya, Advocate, who has filed an impleadment application.

2. The facts of the case as borne out from the affidavits on record, are that on 17.01.2018, Meerut Development Authority (in short

‘Development Authority’), the respondent no.2, published an advertisement in Hindi Daily inviting applications for participation in an e-auction of residential bulk land in Rakshapuram Yojana, on “as-is-where-is basis”, to be held on 27.08.2018.

3. The petitioner participated in the auction in respect of plot no.2/BL-2, area 28239.15 sq. meters, at the reserved price of Rs.8,800/- per sq. meter. As per the brochure the said plot was situated on an 18 meter wide road, which was to be subsequently constructed. In the e-auction, the petitioner offered the highest bid of Rs.10,600/- per sq. meter and was declared successful. An offer letter was issued on 17.12.2018, under which the petitioner, deposited 25% of the bid amount, by 17.01.2019, against the estimated cost of Rs.34,79,62,806/-.

4. By the letter dated 24.01.2019, the Development Authority provided a schedule for payment of the remaining 75% of the amount, along with interest at the rate of 13% per annum, payable in installment within three years. The said letter further stipulated that in case of any default, compound interest at the rate of 16% per annum would be chargeable. The first installment was due on 16.07.2019.

5. On 12.07.2019, the petitioner submitted a representation before the respondent no.2 stating that, in terms of the brochure and the offer letter, he was entitled to possession of the plot in question upon deposit of 25% of the bid amount and requested for construction of the proposed road. A reminder was sent by the petitioner to the Development Authority on 29.08.2019.

6. On 07.09.2019, the Executive Engineer of the Development Authority reported to the Chief Engineer that possession of the plot in question could be given to the allottee only after the construction of the road. On 05.12.2019, the petitioner deposited a further some of Rs.1 crore with the Development Authority towards construction of road, so that possession could be handed over to him. On 13.12.2019 the petitioner again submitted a representation before the Development

Authority with the prayer for handing over possession of the allotted plot and construction of the approach road. A further request was made that realization of installment should start only six months after the possession is provided to the petitioner. Thereafter representations dated 28.10.2020 and reminders dated 24.07.2021, 27.08.2021 and 21.09.2021, were submitted seeking possession.

7. Instead of handing over the possession, the Development Authority obtained an affidavit from the petitioner agreeing to bear the expenses for exchange of land from the Army Welfare Housing Organization and construction of road and boundary wall. The respondent no.2 sent a notice dated 16.05.2022 to the petitioner directing him to deposit entire outstanding amount of Rs.39,42,50524/- or else allotment shall be cancelled.

8. The Development Authority obtained the required land through exchange on 31.01.2023 from the Army Welfare Housing Organization. By the letter dated 10.02.2023, the petitioner was directed to construct the boundary wall and approach road to the plot allotted to him. After completing the same, the petitioner moved an application dated 01.12.2023, before the respondent no.2, to handover the possession of the plot allotted to him.

9. The respondent no.2, proceeded to cancel the allotment of the plot in question vide order dated 10.01.2024, on the ground of non-payments of installments and also stating that possession could not be given due to absence of road. The entire amount deposited by the petitioner was directed to be refunded without any deduction in view of the provision of clause 16(8) of the brochure.

10. Aggrieved by the said action of the respondent no.2, the petitioner challenged the order dated 10.01.2024, before the State Government, in revision under Section 41(3) of the U. P. Urban Planning and Development Act, 1973 (in short 'Act of 1973'). The State Government vide its order dated 12.03.2024 set aside the cancellation and remanded

back the matter to the Development Authority to be decided afresh after affording opportunity of hearing to the petitioner.

11. The respondent no.2 by its order dated 18.06.2024 again cancelled the allotment of the petitioner with the observation that as the petitioner wants to repay the entire outstanding installment along with accrued interest in 9 monthly installments starting after three months from the date of possession of the plot in question, a payment schedule not provided under clause 6(10) of the brochure.

12. Aggrieved by the order of the respondent no.2 dated 18.06.2024, the petitioner filed Writ-C No.25119 of 2024 before this Court challenging it. The aforesaid writ petition was disposed of directing the petitioner to file revision before the State Government under the provisions of Section 41(3) of the Act of 1973.

13. The petitioner challenged the order of respondent no.2 dated 18.06.2024 in revision before the State Government on 12.08.2024. The State Government by an interim order dated 12.08.2024 directed the parties to maintain status-quo. The order of the State Government dated 12.08.2024 was served in the office of respondent no.2 on 13.08.2024.

14. In the meantime, the plot in question, earlier allotted to the petitioner, had again been put to e-auction along with other properties of the Development Authority to be held on 12/13.08.2024. Even though, the interim order granted by the State Government was served upon the Development Authority on 13.08.2024, the e-auction continued till midnight, in which the respondent no.3, was declared successful.

15. The State Government, respondent no.1, by the order dated 03.10.2024 allowed the revision of the petitioner, setting aside the order of the respondent no.2, dated 18.06.2024. The respondent no.1, held the e-auction to be unsustainable in view of the fact that, it was held despite the interim order dated 12.08.2024 having been passed directing the parties to maintain status-quo. However, the respondent no.1 disposed of

the revision of the petitioner directing the Vice Chairman of the Development Authority to take a fresh decision, granting opportunity to the petitioner to deposit the entire value of the land at the rate which had been quoted by the highest bidder in the subsequent auction dated 12/13.08.2024.

16. The petitioner moved a representation before the Vice Chairman of the Development Authority with a prayer to accept the value of the plot allotted to him at the current circle rate as provided under clause 6(10) of the brochure, and handover the possession to him. The respondent no.2 by his order dated 16.12.2024 rejected the application of the petitioner upholding his earlier order of cancellation of his allotment. It was further held that as the petitioner had not challenged the order of the State Government, dated 03.10.2024, the plot in question cannot be allotted on a rate below the one fixed in it, and upheld the validity of the e-auction held on 12.08.2024. The respondent no.2 further proceeded to execute an agreement deed on 03.02.2025, for purchase of freehold right in the plot in question in favour of respondent no.3.

17. The present petition has been filed challenging the order of the State Government dated 03.10.2024 and the consequential order of the Vice Chairman of the Development Authority dated 16.12.2024 alongwith auction of plot in question held on 12/13.08.2024 and execution of freehold purchase agreement deed dated 03.02.2025.

18. It is contended by the learned Senior Counsel for the petitioner that as in pursuance of the condition laid down in the brochure of the e-auction, the petitioner had deposited 25% of the estimated cost of the land, he was entitled for possession of the said plot. As no possession was handed over to the petitioner, the Development Authority violated the condition of allotment, rendering the letter containing payment scheduled of the installments unenforceable. The fact that the Development Authority itself was not in position to handover the possession till 10.01.2024, the cancellation of allotment in favour of the petitioner for non payment of installments was unjustified.

19. It is further contended that even if the petitioner is held to have violated the conditions of allotment by not depositing the installments at regular intervals, he had a right under the terms of the brochure for restoration of the said plot, either by depositing the entire updated installments with interest or by depositing the value of land at the current circle rate fixed by the District Magistrate or on the auction rate, whichever ever is higher, under clause 6(10) of the brochure. It was submitted that the respondent no.2, did not give any letter to the petitioner to submit the requisite stamp duty and papers for registration of the deed of possession, as provided under clause 7(b) of the brochure. The petitioner was not handed over the possession of the allotted plot by the Development Authority, despite having deposited about rupees 10 crores and constructed the road and boundary wall.

20. Learned Senior Counsel for the petitioner has further submitted that once the State Government while passing the order dated 03.10.2024 had held the e-auction dated 12/13.08.2024 to be bad it could not have directed the petitioner to accept the plot in question at the rate quoted by the highest bidder in it. He has further contended that any action taken by the Development Authority in contravention of the interim order dated 12.08.2024, passed by the State Government, as a revisional authority, is *void ab initio*. Therefore, the e-auction held on 12/13.08.2024 in respect of plot in question was bad in law and the highest bid quoted in the said auction proceedings could not form the basis for restoring the plot in question, in favour of the petitioner. In support of his contention, learned Senior Counsel has relied upon the judgment of Hon'ble Supreme Court in the cases of **Mulraj vs. Murti Raghonathji Maharaj** reported in AIR 1967 SC 1386 and **Manohar Lal (dead) by Lrs. vs. Ugrasen (dead) by Lrs.** reported in (2010) 11 SCC 557.

21. Learned Senior Counsel appearing for the Development Authority contended that the allotment of plot in question to the petitioner was on "as-is-where-is basis" with a clear stipulation that 18 meter wide

approach road shall be provided subsequently, therefore, the contention of the petitioner that his deposit of installment was dependent on the handing over of possession of the plot in question, is misplaced and unsustainable. It was further contended that under clause 6(10) of the brochure the restoration of plot to the allottee can be made only after the entire amount is deposited along with accrued interest or at the present circle rate fixed by the District Magistrate or at the value quoted in the subsequent auction, whichever is higher. As the value of the land fetched in the second auction is higher from the current circle rate fixed by the District Magistrate, the direction of the State Government for restoration of the plot in question in favour of the petitioner on the said rate was justified and requires no interference.

22. It has been further contended that after passing of the order dated 03.10.2024, the petitioner did not challenge the said order before this Court, and refused to accept the offer given by the State Government. A fresh demand was raised to deposit the value of land at the current circle rate, which was rightly rejected by the Development Authority. As the order dated 03.10.2024 had become final between the parties, the respondent no.2, was justified in rejecting the representation of the petitioner by the order dated 16.12.2024, for restoration of his plot in question at the current circle rate fixed by the District Magistrate.

23. Learned Senior Counsel for the Development Authority, explaining the inability of the respondent no.2 in stopping the e-auction after receiving the interim order dated 12.08.2024 passed by the State Government, has contended that as there is no manual interference in it and several properties of the Development Authority had been put to auction on the same date, there was no mechanism to stall the bid in respect of the plot in question. In such circumstances, the auction of plot in question held on 12/13.08.2024 is just and proper. He has further contended that the petitioner by the letter of the Development Authority dated 28.02.2022 was offered a one time settlement option for deposit of the outstanding installments in respect of plot in dispute, which was not availed by him, till the allotment was cancelled.

24. Learned Senior Counsel for the respondent no.3 has supported the arguments of the learned Senior Counsel for the Development Authority and has further contended that the payment of installment fixed by the Development Authority was not dependent upon the possession of plot in question allotted to him as e-auction of the plot was made on “as-is-where-is basis”. He has further submitted that as the agreement deed has been executed in favour of respondent no.3 in respect of the plot in question, legal rights have accrued in its favour. A layout plan has already been sanctioned by the Development Authority for development of the plot and project has already been commenced during pendency of the writ petition. The entire project of the respondent no.3 has already been registered before the RERA Authority and third party rights have also been created. The respondent no.3, has already invested about 46.34 crores in the project. Thus, any right in favour of the petitioner subsisting before filing of the writ petition in respect of the plot in question has come to an end, therefore, no interference is warranted with the orders passed by the respondent nos.1 and 2.

25. An impleadment application has been filed by six persons claiming to be the original tenure holders of the plot in dispute, carved out on the Khasra Nos.113, 114, 129, 130, and 138, situated in village Khaserubuxar, Tehsil and District Meerut. Learned Senior Counsel appearing for the applicants of the impleadment application contends that the plot in question forms part of the land owned by the applicants, who have already challenged the acquisition before this Court in Writ-C No.19123 of 1987 in which an interim order dated 23.09.1987 was passed staying the dispossession of the petitioners therein. He further states that the said writ petition had been dismissed for want of prosecution on 02.09.1997, after which, it was restored to its original number by this Court vide order dated 01.02.2002. He further submitted that in respect of the land in question Writ-C No.34290 of 2009 (JSD Colonizers and others vs. State of U.P. and others) is also pending in which initially an order directing the parties to maintain status-quo was passed on 23.07.2009 but eventually, the said writ petition was dismissed

for want of prosecution on 14.07.2017. However, the order was subsequently recalled vide order of this Court dated 10.10.2018.

26. Considering the submission of the learned Senior Counsel for the applicants in the aforesaid impleadment application, it is evident that acquisition of the land of applicants has not been stayed by this Court in any proceedings at present. The applicants claim that they have not been paid compensation in respect of their bhumidhari land, till date, cannot be gone into in this petition. However, they have not stated that whether the entire amount under the award has been deposited or not. Moreover, once the possession of the acquired land has been admittedly taken by the Development Authority, no right of the applicants subsist in their bhumidhari land and, therefore, they are not necessary parties to the proceedings in the present petition. In view of the aforesaid, the Impleadment Application No.3 of 2025 is, accordingly, rejected.

27. I have considered the submission made by the learned Senior Counsels for the parties and perused the records.

28. The admitted facts are that the petitioner was allotted plot in question in an e-auction on "as-is-where-is basis" with a clear stipulation that 18 meter wide road would be constructed later. The petitioner with open eyes participated in the bid and obtained the plot in question. Pursuant to deposit of 25% of the bid amount, the petitioner was provided the payment schedule for depositing remaining 75% of the bid amount along with interest in six installments within a period of three years, by the letter dated 24.01.2019.

29. The perusal of the brochure of the e-auction, advertisement and letter of payment schedule does not show that the payment of 75% in installments was dependent upon providing of the 18 meter wide road to the plot in question. Thus, the representations made by the petitioner before the Development Authority offering payment of the installment subject to availability of the road runs contrary to the conditions of allotment, accepted by the petitioner. The default committed by the petitioner for non payment of installments on the ground that the approach road was not provided cannot be condoned on the ground that

there was deficiency in service on part of the Development Authority as no timeline was provided for providing the approach road to the plot in question.

30. In a similar situation, where the allottees did not deposit the lease amount, interest and penalty on the ground that basic amenities were not provided by the Development Authority, the Hon'ble Supreme Court in the case of **Municipal Corporation Chandigarh and others vs. Shantikunj Investment (P) Ltd. and others, (2006) 4 SCC 109** has observed that, to provide necessary facilities for full enjoyment of the plots by the allottees there is an obligation on the Development Authority but it is not a condition precedent for payment of installment in terms of the letter of allotment. The relevant observations of the Supreme Court in the aforesaid judgment as contained in paragraph nos.26, 27 and 28 are reproduced hereinafter:-

“26. It is not possible to accept a sweeping proposition that if all the facilities or amenities are not provided, then the allottees/ lessees can take upon themselves not to pay the lease amount, interest and penalty would be going too far. It has never been the condition precedent. It is true that in order to fully enjoy the allotment, proper linkage is necessary. But to say that this is a condition precedent, that is not the correct approach in the matter. "Amenity" has been defined under Section 2(b) of the Act which includes roads, water-supply, street lighting, drainage, sewerage, public building, horticulture, landscaping and any other public utility service provided at Chandigarh. That is a statutory obligation but it is not a condition precedent as contended by learned counsel for the respondents. It is true the word, "enjoy" appearing in the definition of the word "premium" in Rule 3(2) of the Rules, means the price paid or promised for the transfer of a right to enjoy immovable property under the Rules. It was very seriously contended before us that the word, enjoy immovable property necessarily means that the Administration should provide all the basic amenities as appearing under Section 2(b) of the Act for enjoying that allotment. The expression "premium" appearing in the present context does not mean that the allottees/ lessees cannot enjoy the immovable property without those amenities being provided. The word "enjoy" here in the present context means that the allottees have a right to use the immovable property which has been leased out to them on payment of premium i.e. the price. This is only

the price to enjoy that allotted/leased property. Otherwise, walking over to that property will mean to trespass. This is only a permissive possession. Since the allottees had paid the price or promised to pay after the transfer of the right to enjoy the immovable property, this cannot be construed that the property cannot be enjoyed without providing the basic amenities. It is the common experience that for full development of an area it takes years. It is not possible in every case that the whole area is developed first and allotment is served on a platter. Allotment of the plot was made, as is where is basis and the Administration promised that the basic amenities will be provided in due course of time. It cannot be made a condition precedent. This has never been a condition of the auction or of the lease. As per the terms of allotment upon payment of the 25 per cent, possession will be handed over and rest of the 75 per cent of the leased amount to be paid in a staggered manner i.e. in three annual equated instalments along with interest at the rate of 10 per cent. If someone wants to deposit the whole of the 75 per cent of the amount he can do so. In that case, he will not be required to pay any interest. But if a party wants to make payment within a period of three years then he is under the obligation to pay 10 per cent interest on the amount of instalment. This is the obligation on the part of the allottee as per the condition of lease and he cannot get out of it by saying that the basic amenities have not been provided for enjoying the allotted land, therefore he is not entitled to pay the interest. This construction is not borne out from the scheme of the Act and the Rules. It is true that the Administration has an obligation but it is not a condition precedent in the present case. "Amenity" has been interpreted in the Advanced Law Lexicon (3rd Edition, 2005 at page 237) as follows:

" IN REAL PROPERTY LAW, such circumstances, in regard to situation, view, location, access to a water course, or the like, as enhance the pleasantness or desirability of the property for purposes of residence, or contribute to the pleasure and enjoyment of the occupants, rather than to their indispensable needs. Extras or intangible items often associated with property. They may be tangible. Often amenities in a condominium include swimming pools, landscaping, and tennis court."

27. Therefore, the term amenity in the context of real estate is to mean the facilities as provided under Section 2(b) of the Act but it can never be treated to mean that this is a condition precedent. It is for the better use of the allotted piece of land but that does not mean that it should be provided first as a condition precedent in the matter in the present case. Learned counsel

invited our attention to the expression , " enjoy" as per the Webster's Dictionary, which means as follows:

"to have, possess, and use with satisfaction; to have, hold, or occupy, as a good or profitable thing, or as something desirable; as, we enjoy many privileges."

28. It is true that once allotment of the land has been made in favour of the allottee, he can take possession of the property and use the same in accordance with the Rules. That does not mean that all the facilities should be provided first for so called enjoyment of the property this was not the condition of auction. Party knew the location & condition prevailing thereon. The interpretation given by the Division Bench of the High Court of Punjab & Haryana and contended before us cannot be accepted as a settled proposition of law. In the present case, as per the Act and the Rules it is never a condition precedent of the auction or as per the lease that all the facilities like, road, water-supply, street lighting, drainage, sewerage, public building, horticulture, landscaping shall be a condition precedent. Nowhere in the conditions of lease or in the auction it is provided that this will be done first though it had been contended by the Administration that the basic amenities have already been provided. Be that as it may, in the present context it cannot be construed that it is a condition precedent.”

31. The judgment of **Shantikunj Investment (P) Ltd. (supra)** again came for consideration before the Hon’ble Supreme Court in the case of **UT Chandigarh Administration and another vs. Amarjeet Singh and others, (2009) 4 SCC 660**, in which the obligation on part of the Development Authority either statutory or contractual to provide basic amenities demanded by the respondents with reference to the lease of sites by public auction, was considered. The Hon’ble Supreme Court in paragraph nos. 19 and 20 of the aforesaid judgment, has observed as under:-

“19. In Lucknow Development Authority, it was held that where a developer carries on the activity of development of land and invites applications for allotment of sites in a developed layout, it will amount to `service', that when possession of the allotted site is not delivered within the stipulated period, the delay may amount to a deficiency or denial of service, and that any claim in regard to such delay is not in regard to the immovable property but in regard to the deficiency in rendering service of a

particular standard, quality or grade. The activity of a developer, that is development of land into layout of sites, inviting applications for allotment by assuring formation of a lay out with amenities and delivery of the allotted sites within a stipulated time at a particular price, is completely different from the auction of existing sites either on sale or lease. In a scheme for development and allotment, the allottee has no choice of the site allotted. He has no choice in regard to the price to be paid. The development authority decides which site should be allotted to him. The development authority fixes the uniform price with reference to the size of plots. In most development schemes, the applications are invited and allotments are made long before the actual development of the lay out or formation of sites. Further the development scheme casts an obligation on the development authority to provide specified amenities. Alternatively the developer represents that he would provide certain amenities, in the Brochure or advertisement. In a public auction of sites, the position is completely different. A person interested can inspect the sites offered and choose the site which he wants to acquire and participate in the auction only in regard to such site. Before bidding in the auction, he knows or is in a position to ascertain, the condition and situation of the site. He knows about the existence or lack of amenities. The auction is on 'as is where is basis'. With such knowledge, he participates in the auction and offers a particular bid. There is no compulsion that he should offer a particular price. When the sites auctioned are existing sites, without any assurance/representation relating to amenities, there is no question of deficiency of service or denial of service. Where the bidder has a choice and option in regard to the site and price and when there is no assurance of any facility or amenity, the question of the owner of the site becoming a service provider, does not arise even by applying the tests laid down in Lucknow Development Authority or Balbir Singh.

20. Where there is a public auction without assuring any specific or particular amenities, and the prospective purchaser/lessee participates in the auction after having an opportunity of examining the site, the bid in the auction is made keeping in view the existing situation, position and condition of the site. If all amenities are available, he would offer a higher amount. If there are no amenities, or if the site suffers from any disadvantages, he would offer a lesser amount, or may not participate in the auction. Once with open eyes, a person participates in an auction, he cannot thereafter be heard to say that he would not pay the balance of the price/premium or the stipulated interest on the delayed payment, or the ground rent, on the ground that the site suffers from certain disadvantages or on the ground that amenities are not provided.”

32. When the plot in question, in the present case, was auctioned on “as-is-where-is basis” which was accepted by the petitioner with open eyes having ascertained the facilities available at the time of auction, the Development Authority is not responsible for facilitating the allottee for maximum utilization of the plot in question. The Hon’ble Supreme Court in the case of **Punjab Urban Planning and Development Authority and others vs. Raghunath Gupta and others, (2012) 8 SCC 197**, after considering the judgment of Shantikunj Investment (P) Ltd. (supra) and Amarjeet Singh (supra) has held in paragraph no.17 that *“the judgment in Amarjeet Singh (supra) is a complete answer to the various contentions raised by the respondents. We may reiterate that after having accepted the offer of the commercial plots in a public auction with a superimposed condition i.e. on ‘as is where is basis’ and after having accepted the terms and conditions of the allotment letter, including installment facility for payment, the respondents cannot say that they are not bound by the terms and conditions of the auction notice, as well as that of the allotment letter.....”*

33. In view of the aforesaid settled position of law by the Hon’ble Supreme Court, there is no iota of doubt that the petitioner was required to deposit the installments according to payment schedule provided to him by the letter dated 24.01.2019, despite the fact that plot in question had not been provided along with an approach road. It is not in dispute that on the date of auction the petitioner had accepted the bid with full awareness that the plot in question had no approach road and the possession of the plot in question, without the same, was meaningless for its further development. The payment of installments by the petitioner was not subject to the availability of the approach road to be provided by the Development Authority, according to the brochure of the e-auction.

34. Equally, the Development Authority failed to comply with its obligation under the brochure by not handing over possession after receipt of 25% of the bid amount. The obligation of the petitioner to pay instalments was not conditional upon provision of an approach road;

similarly, the Authority's obligation to deliver possession was not contingent upon such development.

35. The record shows that the land for the construction of the road, had been made available to the Development Authority on or before 10.02.2023, when the petitioner, was directed by the Development Authority to construct the road and the boundary wall. After the completion of the construction, instead of handing over possession of the allotted plot, the Development Authority proceeded to cancel his allotment on that ground that it was not possible to hand over its possession in the absence of the approach road. The said action of the Development Authority appears to be arbitrary, as after the availability of the approach road when the value of the land in dispute had increased, it decided to re-auction, by illegally cancelling the allotment of the petitioner. The subsequent decision to re-auction the plot, after improvement in its value, raises serious concerns regarding fairness in administrative action. The order of the respondent no.1, dated 03.10.2024, setting aside the order of the respondent no.2, dated 18.06.2024, was equitable and justified.

36. The State Government, the respondent no.1, while remanding the matter back, should not have directed the Vice Chairman of the Development Authority to realise the value of the plot in question, from the petitioner, at the rate discovered in an auction already held to be unsustainable. Moreover, the Development Authority proceeded to hold the auction, in disobedience of the order of the respondent no.1, therefore by directing the petitioner to deposit the same value of the land in dispute, as quoted by the highest bidder in it, amounts to granting benefit to the Development Authority for its own wrong.

37. The Hon'ble Supreme Court in the cases of **Shantikunj Investment (P) Ltd. (supra)**, **Amarjeet Singh (supra)** and **Punjab Urban Planning and Development Authority (supra)** has held that the allottee and the Development Authority are bound by the letter of allotment and its terms and conditions. In the aforesaid circumstances, the claim of the petitioner for re-allotment of the plot in question, in

pursuance of the order of the respondent no.1, dated 03.10.2024, could have been considered only in accordance with clause 6(10) of the brochure, to fetch the maximum amount.

38. The provision of clause 6(10) of the brochure, provides that restoration of a cancelled plot in favour of the allottee, can be made within one month of its cancellation, firstly, if he deposits the entire amount of updated installments along with accrued interest just before restoration, and secondly, if he deposits the value of the allotted plot, at current circle rate fixed by the District Magistrate or at the auction price, which ever is higher. In interpretation of the aforesaid provision of the brochure by the Development Authority, the words 'auction price', occurring in the second sub-clause of clause 6(10), is being read as the price of the plot in question, offered during the subsequent auction held on 12/13.08.2024, which is misconceived and cannot be accepted. The harmonious interpretation of the aforesaid provision means that the allottee for the restoration of his plot after cancellation has to deposit its entire value on the basis of the current circle rate or on the basis of the rate he was declared successful at the original auction, which ever is higher. This could be the only plausible explanation of the said provision, because after cancellation of any allotment pursuant to default in payment of installments, there cannot be a subsequent auction in every case and the value of the plot may increase due to passage of time.

39. In view of the aforesaid discussion, the order of respondent no.1 dated 03.10.2024 insofar as it directs the Development Authority to re-allot the plot in question to the petitioner on the value of land which has been quoted by the highest bidder in the subsequent auction dated 12/13.08.2024, cannot be sustained and is hereby set aside to that extent.

40. The next issue to be considered by this Court is as to whether any right accrued in favour of respondent no.3, in respect of the plot in question, pursuant to the e-auction held on 12.08.2024 and 13.08.2024, by the Development Authority. The right of respondent no.3 accrues from the auction held on 12/13.08.2024. Admittedly, on 12.08.2024 the State Government in the revision of the petitioner had directed the

parties to maintain status-quo. The argument of the respondents that the e-auction which had commenced on 12.08.2024 in respect of various plots put to auction by the Development Authority, the process could not have been stopped, even though the interim order dated 12.08.2024 was served upon the respondent no.2, is misplaced.

41. Assuming that the e-auction could not have been stayed after the State Government had directed the parties to maintain status-quo in respect of the plot in question, however, the result of e-auction in respect of the plot in question could have been suspended or withheld once the respondent no.2 was aware that the State Government had interfered with their order of cancellation of allotment in respect of the said plot and had directed the parties to maintain status-quo. The Hon'ble Supreme Court in the case of *Mulraj (supra)*, has held that, "Though the court which is carrying on execution is not deprived of the jurisdiction the moment a stay order is passed, even though it has no knowledge of it, this does not mean that when the court gets knowledge of it, it is powerless to undo any possible injustice that might have been caused to the party in whose favour the stay order was passed during the period till the court has knowledge of the stay order".

42. The Hon'ble Supreme Court in the case of *Manohar Lal (supra)*, has held that, "...any order passed by any authority in spite of the knowledge of the interim order of the court is of no consequence as it remains a nullity". In view of the aforesaid settled principle of law, the e-auction held by the respondent no.2, on 12/13.08.2024, despite the interim order having been granted by the State Government on 12.08.2024, is unsustainable in law.

43. The observation of the respondent no.1 in its order dated 03.10.2024 that e-auction held by the respondent no.2 despite the interim order having been granted on 12.08.2024 is unsustainable, binds the respondent no.3 from claiming any right over it, in absence of any challenge to the said order. Once the State Government while disposing of the revision of the petitioner observed that the e-auction was unsustainable and the petitioner was entitled for re-allotment, the e-

auction held on 12/13.08.2024, in respect of the plot in question, cannot be sustained and is accordingly set aside.

44. Thus, the e-auction of the plot in question held on 12/13.08.2024, having been set aside, the execution of freehold purchase agreement deed by the respondent no.2 in favour of respondent no.3 on 03.02.2025, is consequently rendered invalid. The respondent no.3, shall be entitled for refund of all the deposits, made by it under the aforesaid agreement, in respect of the plot in question. The alleged investments, if any, made by the respondent no.3 during the pendency of the litigation, in development of the plot in question, can be claimed by it from the Development Authority, in appropriate proceedings available under law.

45. As the order of the respondent no.1 dated 03.10.2024 insofar as it directed the respondent no.2 to re-allot the plot in question at the rate quoted by the highest bidder in the subsequent auction dated 12/13.08.2024 having been set aside, the order of the respondent no.2 dated 16.12.2024, rejecting the representation of the petitioner for re-allotment of the plot in question, is also set aside. The matter is remanded to respondent no.2 for fresh consideration strictly in accordance with clause 6(10) of the brochure and in light of the observations made herein, within a period of one month from the date of presentation of a certified copy of this order.

46. It is clarified that if the petitioner is not ready to deposit the value of the plot in question, as determined under clause 6(10) of the brochure, the Development Authority will be at liberty to re-auction the said plot in accordance with the rules and regulations, framed by it.

47. Writ petition stands allowed. No order as to costs.

(Arun Kumar, J.)

March 20, 2026

Ashok Kr.