



2025:DHC:10873-DB



\$~

* **IN THE HIGH COURT OF DELHI AT NEW DELHI*****Date of Decision:-02.12.2025***

+ LPA 1200/2024

SURENDRA KUMAR CHATURVEDI & ANR.Appellants

Through: Mr.Abhik Chimni, Mr.Gurpal Singh,
Ms.Pranjal Abrol, Mr.Ayan Dasgupta
and Ms.Moksha Sharma, Advs.

versus

**DELHI STATE INDUSTRIAL INFRASTRUCTURE
DEVELOPMENT CORPORATION LIMITEDRespondent**

Through: Ms.Ruchika Rathi, Adv.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TUSHAR RAO GEDELA****DEVENDRA KUMAR UPADHYAYA, J (ORAL)**

1. Heard learned counsel for the parties.
2. This *intra-court* appeal seeks an exception to an Order dated 14.11.2024, passed by the learned Single Judge whereby *W.P.(C)13233/2024*, filed by the appellants, has been dismissed.
3. The appellants, along with one Mrs.Manu Chaturvedi, had made applications for allotment of flats under the Delhi State Industrial Infrastructure Development Corporation Limited, Self-Financing Cost Effective Workers Housing Scheme (*hereinafter referred to as the 'Scheme'*) through Application No.9717 and 9718.
4. Pursuant to the said applications two flats were allotted on 10.01.2006 to each of the appellants. However, subsequently, on 27.09.2007 a Show Cause

Signature Not Verified

Digitally Signed By: SREERAM L LPA 1200/2024

Signing Date: 04.12.2025
17:32:35***Page 1 of 6***



2025:DHC:10873-DB



Notice (*hereinafter referred to as the 'SCN'*) was issued to each of the appellants wherein, it was stated that the dwelling units under the Scheme were meant for the use of the industrial workers and that allotment secured by the Husband and Wife i.e., Mr.Shailendra Kumar Chaturvedi and Mrs.Manu Chaturvedi, who are industrial worker and *bona fide* allottee of the industrial plot with two different applications, could not be made under the Scheme. The appellants, therefore, were required to explain as to why the allotment secured by them may not be withdrawn.

5. A reply to the said SCN was submitted by the appellants; however, by means of an Order dated 14.02.2012, the allotment made in favour of the appellants was cancelled. The Order dated 14.02.2012 clearly states that the Scheme was meant for the use and benefit of the industrial workers and allotment secured by the appellants in 'Industrial Workers Category' was contrary to the spirit of the Scheme and also against the terms and conditions of the brochure. It is to be noticed that the Order dated 14.02.2012 did not mention that the allotment made in favour of the appellants was cancelled on account of any misrepresentation or furnishing any false information.

6. By Order dated 14.02.2012, the appellants were required to surrender all original documents pertaining to the allotment of the flats, so that refund of the cost deposited by them is processed.

7. It appears that pursuant to the said Order, the documents were deposited by the appellants on 09.11.2020, as is apparent from a perusal of a document enclosed at page no.310 of this appeal. Thereafter, since no refund was made, an application was made on 08.09.2020 seeking refund of the amount paid by the appellants. On the said application, an Order was passed by the Divisional Manager of the respondent/Corporation denying the refund stating the reason that in terms of paragraph no.12 of the Scheme '*if the Corporation cancels the*



allotment for misrepresentation, furnishing of incorrect information or for committing default of the terms and conditions of the allotment, brochure, the corporation shall be entitled to forfeit all the amounts, paid on or by the date of cancellation’.

8. It appears that mention of paragraph no.12 of the Scheme has wrongly been made, and instead it should be paragraph no.14 of the Scheme which is as under:-

“14. Surrender or Cancellation

In case, the allotment made to an applicant is sought to be surrendered/cancelled by him/her, on the ground of inability to pay the installments, he/she shall be liable to pay 10% of the registration deposits as cancellation charges, if cancellation request is made within one month of issue of allotment letter. In case request for refund/cancellation is made after one month of the allotment, interest @ 12% per annum on amount due w.e.f. the date of issue of the allotment letter, in addition to deduction of 10% of the registration deposit, shall be charged.

Likewise, if the dwelling unit is cancelled by DSIDC for non-payment of first or subsequent instalments, the allottee shall be liable to pay the interest @ 12% for the delayed period in addition to the payment of aforesaid cancellation charges. In case the period of default exceeds three months, the allotment of the dwelling unit will be liable, to be cancelled. The DSIDC shall not be liable to pay any interest on the deposits made by allottee in such cases. There shall be an automatic cancellation after 6 months and DSIDC shall not be liable to pay interest on the deposits by the allottee.

However, in both the cases the amount of deduction will, in no case shall, exceed the amount of registration deposit.

However, where the Corporation cancels the allotment for misrepresentation, furnishing of incorrect information or for committing default of the terms and conditions of the allotment, brochure, the corporation shall be entitled to forfeit all the amounts, paid on or by the date of cancellation.

In case, the allotment of dwelling unit is cancelled and allottee makes a request for restoration of the allotment before the actual refund of deposits, the allotment may be restored and the decision of the M.D. DSIDC in this regard would be final and binding between the parties . in case the allotment is restored it would be subject to payment of Rs.1000/- as restoration charges, all the outstanding dues alongwith the interest @ 12% per annum on the amount due.

In case of death of the allottee, the deposits made by the deceased may be refunded on written request to his/her legal heir(s) without any



deduction. Request for the transfer of the dwelling unit from legal heir(s) in their/his/her name, the same may be considered by DSIDC, on receipt of documents as token of the proof of his/her status as legal heir of the deceased, & depositing of all the outstanding dues alongwith the interest @ 12% per annum on the amount due.”

9. The relevant provision of paragraph no.14 is that *‘if the Corporation cancels the allotment for misrepresentation, furnishing of incorrect information or for committing default of the terms and conditions of the allotment, brochure, the corporation shall be entitled to forfeit all the amounts, paid on or by the date of cancellation’.*

10. It is this Order dated 04.07.2022, passed in respect of the appellants refusing the refund, which was challenged by the appellants by instituting the writ petition before the learned Single Judge. Apart from challenging the aforesaid Order dated 04.07.2022, the appellants had also challenged the Order of Cancellation of Allotment dated 14.02.2012.

11. The learned Single Judge, however, dismissed the appeal by passing the impugned order by observing that the writ petition was barred by inordinate and unexplained delay in latches.

12. Having heard the learned counsel for the parties, we are of the opinion that so far as the dismissal of the prayer made by the appellants in respect of Order of Cancellation of Allotment dated 14.02.2012, is concerned, the learned Single Judge has rightly observed that, the said Order was challenged by instituting a petition after a lapse of a period of 12 years for which no plausible explanation was given.

13. Accordingly, we are in complete agreement with the finding recorded by the learned Single Judge, so far as the same relates to the prayer relating to Order of Cancellation of Allotment being barred. However, as far as the refund is concerned, we are of the opinion that once the Order dated 14.02.2012, itself permitted the refund of the amount, of course, on surrender of all original



documents, denying the relief relating to refund of the amount on the ground of delay cannot be approved of. As a matter of fact, the Order dated 14.02.2012, permitted the refund of the cost deposited by the appellants and accordingly, the appellants are said to have surrendered the original documents, not immediately after passing of the Order dated 14.02.2012, but only on 09.11.2020. That itself cannot be the reason for denial of the refund of the cost deposited by the appellants, if the appellants are otherwise entitled for the same.

14. In this context, we now proceed to consider the reason assigned in the Order dated 04.07.2022 for refusing the refund of the amount. The reason assigned in the said Order is that since the cancellation of allotment was made by the respondent on the ground of misrepresentation and fraud as such in terms of the provisions of paragraph 14 of the Scheme, the appellants were not entitled for a refund. The said reason, however, is not reflected from a perusal of the Order of Cancellation of the Allotment dated 14.02.2012.

15. As a matter of fact, the Order of Cancellation of Allotment dated 14.02.2012, nowhere mentions that allotment was cancelled on account of the appellants having furnished any incorrect information or misrepresented any fact. The reason assigned therein, rather, is that the allotment sought by the appellants was contrary to the Scheme. We also notice that the Order dated 14.02.2012 in itself permitted the refund of the cost deposited by the appellants, though on the condition that the appellants surrender their original documents.

16. Accordingly, we find ourselves completely unable to agree with the reason assigned in the Order dated 04.07.2022, refusing refund of the amount of the cost deposited by the appellants.

17. In view of the aforesaid, the appeal is partly allowed, and the order of the learned Single Judge is modified to the extent that the respondent is directed to



2025:DHC:10873-DB



refund the cost deposited by the appellants pursuant to the allotment made by them, which was cancelled by means of the Order dated 14.02.2012. Since the appellants themselves did not fulfil the condition of furnishing the original documents relating to allotment initially, rather they surrendered the said documents only on 09.11.2020 and thereafter, they made the application seeking refund on 08.09.2020, as such they shall also be entitled to interest at the rate of 6% per annum, in addition to the cost deposited by the appellants only from the date of the application. The respondent/Corporation is directed to ascertain the total amount deposited by each of the appellants and refund the same after verifying, along with interest at the rate of 6% per annum from 08.09.2020 till the actual payment is made.

18. Accordingly, the appeal stands disposed of in the aforesaid terms.

DEVENDRA KUMAR UPADHYAYA, CJ

TUSHAR RAO GEDELA, J

DECEMBER 02, 2025/MJ