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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 5641/2020 & C.M. APPL. 20436/2020**
RAJESH AHUJAPetitioner

Through:

versus

DELHI DEVELOPMENT AUTHORITYRespondent

Through: Mr. Gaurav Dua, Ms. Ayushi Tyagi,
Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **25.02.2026**

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

“It is, therefore, most respectfully prayed that this Hon'ble Court may be pleased to issue of a Writ in the nature of CERTIORARI and/or any other appropriate Writ/Order/ Direction of like nature for quashing of the Letter of Intent (LOI) dated 05.08.2020 issued by the Respondent; and to further issue a Writ in the nature of MANDAMUS and/or any other appropriate Writ/Order/ Direction of like nature thereby directing the Respondent to forthwith refund the Earnest Money Deposit (EMD) paid by the Petitioner to the tune of Rs. 8,54,1111/- (Rupees Eight Lakhs Fifty Four Thousand One Hundred and Eleven only) alongwith interest @ 12% per annum thereon, in the light of the aforesaid facts and grounds narrated hereinabove...”

2. The brief facts of the case are that the respondents invited applications for the 8th edition of E-Auction for the sale of Residential Properties



(Phase VIII/ Residential Plots-LSB) on *as-is-where-is* basis. The petitioner desirous of purchasing a property, paid the Earnest Money Deposit (“**EMD**”) through online mode to the tune of 8,54,111/- which was attributed towards 5% of the reserve price of the property which was to be paid by all the bidders at first stage.

3. The respondent sent an email dated 13.02.2020 acknowledging its receipt. Thereafter, the petitioner submitted a bid for allotment of a residential plot at Dr. Mukherjee Nagar. On 15.02.2020, after submission of the bid, the petitioner received an email confirming the petitioner’s bid as successful and subject to acceptance of the bid by the department.
4. Owing to the Covid-19 pandemic, the petitioner suffered losses in business and thus, *vide* letter dated 27.04.2020, conveyed his decision of withdrawal of his bid and requested for refund of the EMD amount.
5. Mr. Aneja, learned counsel for the petitioner, draws my attention to a WhatsApp conversation between the officer of the respondent and the petitioner, wherein it has been conveyed that “the refund is under process.” He states that for the said reasons, the petitioner is entitled to refund of his EMD.
6. He draws my attention to the Clause Nos. 1.10 and 2.4.3 of the documents for E-Auction (January, 2020), which reads as under:
1.10 Force Majeure: The bidders shall not be responsible for failure or delay in performing their obligations under presents due to force majeure which shall include natural calamities including epidemic. lighting, earthquake Hood storm or other unusual or extreme adverse weather or environmental



conditions If the circumstances leading to force majeure occur, the affected party shall give notice thereof to the other party i.e. DDA. The notice shall include full particulars of the nature of Force Majeure event, the effect it is likely to have on the Affected Party's performance of its obligations and the measures which the Affected Party is taking, or proposes to take to alleviate the impact of the Force Majeure Event and restore the performance of its obligations The obligations of the Affected Party shall be suspended to the extent they are affected by the Force Majeure.

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2.4.3 After the bids are confirmed/accepted by the Competent Authority, a communication shall be sent to the successful bidder and the second stage EMD 120% of the premium offered) to be submitted within 7 days from the Date of issue of LOI online payment In case the second stage EMD is not submitted within the stipulated period, the first stage EMD15% of the reserve price) submitted along the Bid shall be forfeited.”

7. He states that admittedly, Covid-19 was an epidemic and hence, in view of *Force-Majeure* clause, the petitioner is entitled to the refund.
8. Additionally, the respondent in violation of Clause No. 2.4.3 of the documents for E-Auction (January, 2020) took 6 months to issue a Letter of Intent calling upon the petitioner to make payment of 20% of the bid amount. The letter was issued only on 05.08.2020.
9. Mr. Dua, learned counsel for the respondent, states that there is no rule



in the policy which allows the petitioner to withdraw the bid, once made. He further states that in terms of Clause Nos. 2.4.7 and 4, of the documents for E-Auction (January, 2020), once the bid is submitted, the EMD will be forfeited if the bid is modified. Hence the petitioner is not entitled to the EMD.

10. I have heard learned counsels for the parties.
11. In the present case, a perusal of the clause No. 1.10 of the documents for E-Auction (January, 2020) seems to suggest that on account of epidemic, the petitioner is only entitled to suspend its obligations to make the payment during the *force majeure* period. No clause has been shown to me, wherein the petitioner can withdraw the bid having once made.
12. Clause Nos. 2.4.7 and 4 of the documents for E-Auction (January, 2020) states that once the bid is submitted, the applicant shall not be allowed to withdraw it and if the same is so done the EMD shall stand forfeited. The said clause read as under:

“2.4.7 The bidder after submission of Bid shall not be permitted to withdraw, surrender or modify his bid on any ground whatsoever. If he withdraws or surrenders the Bid, the entire amount of earnest money shall be forfeited which shall be without prejudice to other rights or remedies available to DDA.”

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“4. Bids: Once the bid is placed, the bidder cannot reduce or withdraw the bid for whatsoever reason if done so, the EMD amount shall be forfeited.”



13. Additionally, Clause No. 1.11 of the documents for E-Auction (January, 2020) states the mode of Dispute Redressal Mechanism and reads as under:

“1.11 Disputes: In case of disputes only Local Courts in Delhi shall have jurisdiction. The parties shall endeavor to settle by mutual conciliation any claim dispute or controversy (“Dispute”) arising out of or in relation to this Auction. Any Dispute shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996. Such arbitration proceedings shall be conducted in Delhi. The arbitration proceedings shall be conducted in English Language.”

14. In this view, the present writ petition will not lie for the following reasons:

- I. The *force majeure* clause relied upon by the petitioner only permits the petitioner to suspend its obligations to make payment during the period of *force majeure*.
- II. Clause No. 2.4.7 and Clause No. 4 of the documents for E-Auction (January, 2020) in fact does not permit the petitioner to withdraw the bid and consequently, the respondent is entitled to forfeit the EMD.
- III. Thirdly and most importantly, Clause No. 1.11 of the documents for E-Auction (January, 2020) gives the dispute redressal mechanism.

15. In case the petitioner is aggrieved by the non-refund of money, the same constitutes a dispute and the petitioner has to invoke agreed mode



of dispute redressal, which is arbitration in terms of the Clause No. 1.11 of the documents for E-Auction (January, 2020).

16. For the aforesaid reasons, the petition is dismissed.

JASMEET SINGH, J

FEBRUARY 25, 2026/sp