A.F.R.

Judgment reserved on 09.10.2026
Judgment delivered on 12.11.2026

2026:AHC:232656-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT – C No. - 30566 of 2025

M/s Aloft Solutions Private Limited ……Petitioners(s)

Versus

State of Uttar Pradesh and 3 others ……Respondents(s)

Counsel for Petitioners(s) : Himadari Batra, Radhika Bansal
Counsel for Respondent(s) : C.S.C., Kaushalendra Natha Singh, Shivam Yadav

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Court No. - 29

HON'BLE SIDDHARTHA VARMA, J.
HON'BLE KUNAL RAVI SINGH, J.

(Per : Siddhartha Varma, J.)

1. Heard Shri Anurag Khanna Senior Advocate assisted by Ms. Himadri Batra and Ms. Radhika Bansal for the petitioners, Shri Shivam Yadav learned Advocate on behalf of the New Okhla Industrial Development Authority and learned Standing Counsel on behalf of the State respondents.

2. The present petition has been filed for the following reliefs:

"(a) Issue a writ, order, or direction in the nature of Certiorari quashing the order dated 23.04.2025 (Annexure No-2) whereby the plot of the petitioner is restored with charges.

(b) Issue a writ, order or direction in the nature of Certiorari quashing the order dated 07.05.02025(Annexure No-3) whereby charges under various heads are imposed on the petitioner.

(c) Issue a writ, order or direction in the nature of Certiorari quashing the demand dated 19.08.2025 (Annexure No-4).

(d) Issue a writ, order, or direction in the nature of mandamus directing the Respondent Authority to restore the allotment of the plot of the petitioner i.e. A-146/2, Block-A Sector- 43, Noida without any restoration charges and to reschedule the payment schedule and instalments without any levy of any simple or penal interest or lease rent on the plot.

(e) Issue a writ, order or direction in the nature of mandamus directing the respondents to grant the benefit zero period to the petitioner from the date of allotment i.e. 27.07.2007 till the delivery of actual possession of the plot.

(f) Issue a writ, order or direction in the nature of mandamus directing the authority to handover physical possession of the plot to the petitioner.

(g) Issue a writ, order, or direction in the nature of mandamus restraining the respondents from creating any third-party rights or allotment in respect to plot of the petitioner i.e. A-146/2, Block-A Sector- 43, Noida.

(h) Issue any writ, order, or direction, which this Hon'ble Court may deem fit and proper under the facts and circumstances of the case."

FACTS:

3. In the district Gautam Budh Nagar, the New Okhla Industrial Development Authority ("***the Authority***" *for brevity*) had advertised with regard to plots in Sectors 42 and 43. The scheme bore No.2007-08 (builder Plot No.l).

4. The petitioner applied for getting the plot, which was advertised and on 26.7.2007 the bid made by the petitioner was accepted and on 27.7.2007, the petitioner was allotted a commercial builder Plot No.146/2, Block-A Sector-43. The area of this plot was 782.42 sq. meter and the premium for this plot was ₹9,31,07,197.58. When the allotment was made, an earnest money deposit was done of ₹35,00,000/-. The allotment money, which was 25% of the entire premium, was ₹2,32,76,799.40. The balance of the allotment money payable after the adjustment of amount deposited came to ₹6,98,30,400/- and in the

allotment letter itself it was stated that the payment was to be made in 16 equal instalments. The allotment letter had also disclosed that the lease rent of one year would be @ 2.5% of the total premium i.e. ₹23,27,679.94. The lease deed was thereafter executed by the Authority on 04.01.2008. The first instalment was to be paid on 27.01.2008 while the 16th instalment was to be paid by 07.07.2015. After the lease was executed, the petitioner also got possession, only on paper, on 20.02.2008. In the meantime, there were certain developments happening over the land situate in Sectors 42 and 43. One Kendriya Karamchari Sahkari Greh Nirman Samiti Limited (*"the Samiti" for brevity*) had been allotted some land in Sectors 42 and 43 and when the Samiti's allotment was cancelled, the Samiti filed an Original Suit, being Original Suit No.273 of 2006 against the Authority. In this Suit, the application filed under Order 39 Rule 1 and 2, came to be rejected vide order dated 30.05.2006. The Samiti then filed a First Appeal From Order, being First Appeal From Order No.1850 of 2006 (Kendriya Karamchari Sahkari Greh Nirman Samiti Limited Vs. New Okhla Industrial Development Authority). In the First Appeal From Order filed in the High Court on 10.11.2006, a temporary injunction for maintaining status-quo between the parties was passed. The interim injunction, which was passed by this Court in First Appeal From Order on 10.11.2006, is reproduced herein below:-

> *"As prayed, put up this case on 15.11.2006. Till then the parties are directed to maintain the status-quo."*

5. Thereafter, the original suit was decreed on 10.09.2008. The Authority, being aggrieved by the decree, filed a First Appeal in the High Court, being First Appeal No.790 of 2008, in which on 29.01.2009 the following order was passed:-

> *"We have heard Sri A.K. Misra and Sri R.P. Singh, learned counsels appearing for the appellant and Sri M.D. Singh Shekhar, Senior Advocate assisted by Sri R.D. Tiwari learned counsels appearing for the respondents.*
>
> *It has been brought to our notice that during the pendency of the suit this Court in FAFO No.1850 of 2006 vide order dated August 7, 2008*

had directed the parties to maintain status quo. The suit has since been decreed. However, as the appeal has been admitted, we deem it fit and proper to direct the parties to maintain status quo as on the date of decreeing of suit. .

Office is directed to send requisition for the record of the suit. This case shall not be treated as tied up before this Bench and is hereby released."

6. It is the case of the petitioner that despite the fact that the lease-deed was signed on 04.01.2008 and paper possession was given on 20.02.2008, the petitioner never got any possession and the petitioner, therefore, refrained from depositing the instalments, which were fixed by the lease deed.

7. Because of non-payment of the instalments, a show-case notice was issued on 31.07.2013 by the Authority asking the petitioner as to why the allotment of the commercial plot No.A-146/2, Sector 43, NOIDA, be not cancelled on the violation of terms and conditions of the lease-deed. The show cause notice dated 31.07.2013 is being reproduced herein below:-

"No.*NOIDA/Commercial/2013/954*

Dated: 31 July, 2013

M/s Aloft Solutions Pvt. Ltd.
105, First Floor,
DDA Shopping Complex,
Sarita Vihar, 201301
New Delhi

M/s Aloft Solutions Pvt. Ltd.
C/o Smt. Neeta Agarwal,
C-1A,Sector-27,NOIDA-Pocket-K & L,

Sub: Show Cause Notice for cancellation due to non-payment of dues in respect of Commercial Property No. A-146/2 Sector- 43, NOIDA.

Dear Sir,

Please refer to the terms and conditions of allotment and lease deed in respect of aforesaid property. As per terms and conditions you were required to make the payment of dues towards balance premium alongwith interest on or before the dates specified in the allotment letter and also in the lease deed or within the stipulated extended period.

Our record reveals that you have not deposited the amount of due instalment within stipulated period. As per terms of allotment/lease you were required to make the payment of balance 75%amount in half yearly

instalment and first instalment has fallendueon27-Jan-2008. in spite of giving sufficient notices by the Authority, you have not deposited the required amount and now an amount of ₹ 127231705/- is still pending against you as on date.

You are therefore required to show cause notice as to why the allotment of Commercial Property No. A-146/2 Sector- 43, NOIDA should not be cancelled as per terms and condition of the brochure of the scheme for allotment and lease deed. In case of failure to give satisfactory reply within 15 days from the date of issue of this notice, we have no option except to cancel the allotment/determination of lease followed by forfeiture of the deposited amount as per rules. Thismay be considered as a final notice.

Thanking you

Yours faithfully,
Assistant General Manager (Commercial)

Copy to:-
Accounts Officer (Commercial), NOIDA for information and necessary action.
Assistant General Manager (Commercial)"

8. The petitioner replied to the show cause notice. However, the reply did not find favour with the Authority and, therefore, a consequential order for cancellation of allotment and of the lease was passed on 14.10.2013, which is reproduced here under:-

"नवीन ओखला औद्योगिक विकास प्राधिकरण
मुख्य प्रशासनिक कार्यालय, सैक्टर-*6*, नौएडा।

पत्रांक/नौएडा/वाणिज्यिक */2013/2748*
दिनांक/ *14.10.13*

M/s Aloft Solutions Pvt. Ltd.
105, First Floor,
DDA, Shopping Complex, Pocket-K & L.,
Sarita Vihar,
New Delhi.

M/s Aloft Solutions Pvt. Ltd.
C/o Smt. Neeta Agerwal,
C-1 A, Sector-27,
Noida

विषय- वाणिज्यिक सम्पत्ति सं*0-146/2,* ब्लॉक-ए, सैक्टर-*43,* नौएडा के निरस्तीकरण के संबध मे।

महोदय,
आपको अवगत कराना है कि वाणिज्यिक सम्पत्ति सं०-*146/2,* ब्लॉक-ए, सैक्टर-*43,* का आवंटन वाणिज्यिक योजना सं०-*07-08 (Builder Plot-1)* की नियम व शर्तों के अंर्तगत

कार्यालय के पत्र सं०-नौएडा/वाणिज्यिक *07/1273* दिनोंक *27.7.07* के द्वारा किया गया था।

आवंटन की विवरणिका की आवंटन पत्र/ पट्टा प्रलेख की सामान्य नियम व शर्तों के अनुसार आपको निर्धारित तिथियों पर देय किस्तों का व्याज सहित भुगतान करना था परंतु आपके द्वारा मूखंड के विरुद्ध देय किश्तों का भुगतान / पदट्टा प्रलेख की कार्यवाही नहीं की गई। इस हेतु आपको दिनांक *31.7.13* को कारण बताओ नोटिस जारी किये गये परंतु आपके द्वारा योजना की विवरणिका की नियम व शर्तों तथा आवंटन पत्र की शतों का उम्बर्धन किया

अतः आपके द्वारा योजना की नियम व शर्ती तथा पट्टा प्रलेख की शर्तों के उबंधन के फलस्वरूम आपको आंवटित वाणिज्यिक सम्पत्ति सं*0-148/2,* ब्लॉक-ए, सैक्टर-*43,* का आवंटन निरस्त कर दिनांक *4.1.08* को उप निबंधवन तृतीय नौएडा के कार्यालय में वही सं*0-1,* जिल्द सं*0-1178,* पृ०सं०-*135* से *1116* क्रमांक *50* पर पंजीकृत पट्टा प्रलेख का पर्यावसन करते हुये जमा बनराशि का जन्तीकरण करते हुये परिसम्पत्ति का कब्जा वापिस लिया जा रहा है।

भवदीय

प्रबंधक वाणिज्यिक

प्रतिलिपि-

1. उप निबंधक-तृतीय, सैक्टर-*33,* नौएडा।

2. लेखाधिकारी *(*वाणिज्यिक*)* को आवश्यक कार्यवाही हेतु ।

3. परियोजना अभियंता *(*वर्क सर्किल*)* का भूखंड का कब्जा वापस लेने हेतु।"

9. Undeterred by the passing of the aforesaid orders, the petitioner persuaded the Authority to recall the orders so that it could continue with its business on the allotted plot. On 22.07.2014, in reply to the various requests of the petitioner, the Authority passed an order that they were ready to restore the lease-deed provided the restoration charges and the interest thereon were paid. The order dated 22.7.2014 is reproduced here under:

"नवीन ओखला औद्योगिक विकास प्राधिकरण
मुख्य प्रशासनिक कार्यालय, सैक्टर-*6,* नौएडा।

पत्रांक/नौएडा/वाणिज्यिक */2014/1202*

दिनांक/ *22.7.2014*

M/s Aloft Solutions Pvt. Ltd.
105, First Floor, DDA, Shopping Complex,
Pocket-K & L,
Sarita Vihar New Delhi.

M/s Aloft Solutions Pvt. Ltd.

C/o Smt. Neeta Agerwal,
C-1 A, Sector-27
Noida.

विषय- वाणिज्यिक सम्पत्ति सं*0-146/2,* ब्लॉक-ए, सैक्टर-*43,* नौएडा के पुर्नस्थापन के संबध में।

महोदय,

कृपया अपने पत्र दिनाँक *01.01.14* का संदर्भ ग्रहण करने का कष्ट करें जिसमें आपके द्वारा वाणिज्यिक सम्पत्ति सं*0-146/2,* ब्लॉक-ए, सैक्टर-*43* के पुर्नस्थापन हेतु अनुरोध किया गया है। इस सबंध में आपको अवगत कराना है कि वाणिज्यिक सम्पत्ति सं*0-146/2,* ब्लॉक-ए, सैक्टर-*43* में पुर्नस्थापना शुल्क की मद में रूपये *93,10,720/-* अकार्यशीलता शुल्क रूपये *3,49,15,199/-*किश्तो व व्याज की मद में रूपये *15,00,36,158/-* व भू-भाटक की मद में *85,62,718/-* रूपये पत्र जारी होने की तिथि से *30* दिन के अंदर जमा कराये तभी पुर्नस्थापना की कार्यवाही की जायेगी।

प्रबंधक- वाणिज्यिक"

10. In the meantime, relying upon the fact that there was an order of status-quo passed by the High Court on 29.01.2009, which had an all-encompassing effect on all the land in Sectors 42 and 43, the Authority, which was the appellant in the High Court in First Appeal No.790 of 2008, filed an application for modification of order dated 29.01.2009. On 22.07.2016, the High Court, upon being persuaded that the earlier order dated 29.01.2009 works against the interest of the Authority inasmuch as the plaintiff namely the Samiti was entitled to only 3,24,000 sq. meters in Sectors 42 and 43 and they never had a claim over the remaining area of these sectors. The order dated 29.01.2009 was modified to the extent that the order of status-quo would remain operative only in respect of an area of 3,24,000 sq. meters being 40% of the total area of the land of plaintiff i.e. Kendriya Karamchari Sahkari Greh Nirman Samiti Limited. The order dated 22.07.2026 passed in First Appeal No.790 of 2008 is reproduced herein below:-

> *"An application has been made on behalf of the NOIDA seeking clarification of the order date 29.01.2009 directing the parties to maintain status quo as on the date of the decree of the suit.*
>
> *Shri Ramendra Pratap Singh, learned counsel for the petitioner contends that the claim of the plaintiff-respondent was confined only to an area of 3,24,000 sq. mt₹ falling in Sector 42 and43and nearby Sectors, but the order of status quo is creating*

hindrance in the development over the entire area of Sector 42 and43 and adjoining Sectors and, thus, the same needs to be clarified.

Another affidavit dated 4th May, 2016 on behalf of plaintiff respondent has been filed stating that the claim of the plaintiff respondent in the suit was only to the extent of 40% of its total area, which was subject matter of acquisition for re-allotment, which comes out to 3,24,000 sq. mt₹ and appropriately the interim order should be operative only in respect of that much area of 3,24,000 sq. mtrs.

Keeping in view the stand taken by both the parties in the respective affidavits filed before us, we hereby modify the order dated 29th January, 2009 that the order of status quo shall remain operative only in respect of an area of 3,24,000 sq. mt₹,being40% of the total area of the land of the plaintiff-respondent, to which he has been held entitled for allotment under the decree, falling in Sector 42 and 43 and nearby Sector"

11. The petitioner, however, had consistently requested the Authority to waive off the demand of restoration charges and also now when the petitioner came to know that status-quo order dated 29.01.2009 was modified by the High Court on 22.7.2016, it requested that the possession of the plot no. A-146/2, Sector-43, be handed over to it and the entire period since the allotment was made on 27.07.2007 till such period as the possession was given be treated as a zero period. It had also throughout prayed that since the cancellation had occurred on account of the fact that the Authority had not been able to give the possession on the land in question because of the order of status-quo which was prevailing, therefore, the petitioner also requested that no restoration charges be taken from the petitioner. Finding that the petitioner's request had substance, the Chief Executive Officer of Authority on 08.12.2023 asked for a report as to how the petitioner could be given possession over the plots in question. In answer to the Chief Executive Officer's query as to whether the petitioner could be given the plot in question, the Junior Engineer of the Authority on 08.12.2023 gave a report that possession could not be delivered to the petitioner. The report dated 08.12.2023 is being reproduced herein below:-

"टिप्पणी

पेज संख्या-1

विषयः वाणिज्यिक भूखण्ड सं० ए-148/2 सेक्टर-43, नोएडा के निःशुल्क नियमितीकरण/भुगतान हेतु शून्य अवधि घोषित करने तथा कब्जा दिलाने हेतु आवेदन के सम्बन्ध में।

कृपया अवगत कराना है कि वाणिज्यिक भूखण्ड सं० ए-146/2 सेक्टर-43, नोएडा के आवंटी M/s Aloft Solutions Pvt. Ltd द्वारा मुख्य कार्यपालक अधिकारी महोदय को सम्बोधित पत्र प्रेषित किया गया है। (जो कि सम्मुख संलग्र है) पत्र द्वारा अवगत कराया गया है कि आवंटन के उपरान्त दिनांक 07.02.2008 को प्राधिकरण द्वारा भूखण्ड का कब्जा दे दिया गया था। परन्तु भूमि से सम्बन्धित मा० न्यायालय में बाद लम्बित होने के कारण भौतिक कब्जा अभी तक नही प्राप्त हुआ। वर्तमान में बाद समाप्त हो गया है। आवंटी द्वारा समस्त अवधि को शून्य घोषित करने एवं प्राधिकरण के आवंटन निरस्तीकरण पत्र को निरस्त करने तथा भौतिक कब्जा तत्काल दिये जाने का अनुरोध किया गया है।

उक्त भूमि से सम्बन्धित मा० न्यायालय में लम्बित बाद के कारण भूखण्ड का कब्जा न दिये जाने सम्बन्धी तत्कालीन प्रबंधक, वर्क सर्किल-3 के पत्र की छायाप्रति भी संलग की गई है। वाणिज्यिक भूखण्ड ए-146/2 सेक्टर-43, नोएडा का स्थलीय निरीक्षण कर लिया गया एवं अतिक्रमण हटाने के उपरान्त भूखण्ड की सफाई भी करा ली गई है। वर्तमान में भूखण्ड प्राधिकरण के कब्जे में है। वर्तमान में भूखण्ड का कब्जा हस्तांतरित किया जा सकता है।

अतः उक्त भूखण्ड के सम्बन्ध में नियमानुसार अग्रिम कार्यवाही करने एवं भौतिक कब्जा हस्तांतरण की कार्यवाही के सम्बन्ध में निर्देश जारी करने हेतु पत्रावली अग्रसारित करना चाहे।

8/12/23

(एस० के० सिंह)
अवर अभियन्ता
वर्क सर्किल-3

प्रबन्धक (वर्क सर्किल-3)
वरिष्ठ प्रबन्धक (वर्क सर्किल-3)
सहायक महाप्रबंधक (वाणिज्यक)"

12. In the meantime, the cancellation order dated 14.10.2023 and the demand for restoration charge dated 08.04.2023 were challenged before the State Government under section 41(3) of the U.P. Urban Planning and Development Act, 1973 ("the 1973 Act" for brevity) read with section 12 of the U.P. Industrial Area Development Act, 1976 ("*the 1976 Act" for brevity*). This revision came to be allowed on 08.07.2024. By this order, the order dated 14.10.2013 by which the allotment was cancelled was set aside and the order dated 08.04.2022 by which the demand for restoration charges was made was also set aside. Also, since the petitioner had prayed that the possession was not given immediately after the execution of the lease-deed, the period from the date when the lease was executed till such time as the possession was given was directed to be treated as zero period and the Revisional Court had thus

allowed the prayer of the petitioner and had allowed the revision accordingly. Paragraph no.17 of the Revisional Court order which had directed the Authority to again pass a speaking order after cancelling the order dated 14.10.2013 (cancellation of allotment) and the order dated 8.4.2022 (by which the restoration charges were demanded) were set aside is being reproduced herein below:-

> "उपरोक्त विवेचना के क्रम में यह स्पष्ट है कि पुनरीक्षणकर्ता संस्था के प्रत्यावेदन पर प्राधिकरण द्वारा speaking order नहीं पारित किये गये हैं। ऐसी स्थिति में आदेश दिनांक 14.10.2013 एवं आदेश दिनांक 08.04.2022 निरस्त किया जाता है एवं प्राधिकरण को निर्देशित किया जाता है कि उपरोक्त तथ्यों की विवेचना पुनः कर ली जाए। पुनरीक्षणकर्ता द्वारा यह भी अवगत कराया गया है कि तत्समय मा० न्यायालय के स्थगनादेश के कारण भौतिक कब्जा नहीं दिया जा सका था। इसकी सम्यक विवेचना प्राधिकरण द्वारा अभिलेखीय तथ्यों के आधार पर की जाए एवं प्राधिकरण की प्रचलित नीति के अनुसार अग्रिम कार्यवाही की जाए। तदोपरांत पुनरीक्षणकर्ता संस्था के प्रत्यावेदन का सम्यक निस्तारण एक speaking order पारित करते हुए किया जाए।"

13. Consequent to passing of the order of Revisional Court, three orders were passed; firstly, on 03.04.2025 by which the Authority did restore the lease-deed but had imposed restoration charges; secondly, the order dated 07.05.2025 by which the recommendations of the Committee, which had been constituted, were accepted and it was said that (1) restoration charges would be applicable; (2) since before the order of modification dated 29.1.2009, there were 3 instalments already due and they were not paid, therefore, penal interest had to be charged on the three defaulted instalments; (3) the benefit of zero period was given starting from the date 29.1.2009 when the status-quo order was passed (4) because of the fact that the petitioner had not been able to do any work on the land situate in Sector 43 because of the fact that no amenities etc. were there, therefore, two years extension was given for the purpose of building etc. The third order which was passed by the Authority and the quashing of it has been demanded is 19.08.2025. By the said order, demands were raised in the following manner ; (i) the premium amount (ii) simple interest on the premium amount which had not been paid (iii) the penal interest on the three instalments which had accrued before the date 29.1.2009 (iv) the lease rent for occupation of

the plot in question since the execution of the lease-deed dated 4.1.2008 and (v) interest on the non-payment of lease rent; and (vi) the restoration charge.

14. A further prayer in the writ petition was made to restore the allotment of plot No.A-146/2, Block-A, Sector-43, NOIDA, without any restoration charge. Not satisfied with the zero period which had been given w.e.f. 29.01.2009, the petitioner had also prayed that zero period be extended to the benefit the petitioner in a manner that zero period had to commence from 27.07.2007 i.e. the date of allotment. Also, the possession of the property in question was prayed for.

PETITIONER'S SUBMISSIONS:

15. Learned Senior Counsel for the petitioner, made the following submissions in support of the relief asked for :-

(i) When the plot was allotted, on 27.07.2007 the Authority was very well aware of the order of status-quo which had been passed by the High Court in First Appeal From Order No.1850 of 2006 meaning thereby that the Authority was aware of the fact that it would not be able to give possession to the petitioner.

(ii) The Authority had executed a lease-deed on 04.01.2008 despite the fact that over the plot in dispute a temporary injunction order was prevailing.

(iii) When the Authority had filed First Appeal in the High Court, being First Appeal No.790 of 2008, it was very well aware of the fact that the original Suit, being Original Suit No.273 of 2006 filed by the Samiti vis-a-vis Sectors 42 and 43 had been decreed on 10.09.2008 but the Authority still continued to make such demands as were absolutely unreasonable.

(iv) When the Authority itself was aware of the fact that an order of status-quo had been passed and despite that it has leased out the land, then it would have definitely known that passing of the possession to the petitioner was a certainly an impossibility.

(v) When the Authority filed the First Appeal No.790 of 2008 in the High Court and on its asking the order of status-quo dated 29.01.2009 was passed, it was well aware of this fact also that the entire land over Sectors 42 and 43 had been affected and this was the reason that it had moved the application for modification of the order dated 29.1.2009. The efforts of the Authority had borne fruit only on 22.07.2016 whereby it was ordered that the status-quo order would prevail only over an area of 3,24,000 sq.meters and thus, learned counsel for the petitioner states that it was only after the modification order that the Authority was in a position to give possession of the land to the petitioner.

(vi) Without waiting for the modification to take place and fully being conscious of the fact that the possession could not be passed on because of the status-quo order initially passed in the Suit on 10.11.2006 and thereafter in the First Appeal on 29.1.2009, the Authority on 31.07.2013 had issued a show cause notice and thereafter cancelled the allotment on 14.10.2013.

(vii) After having realized its mistake and after having got modified the order dated 29.01.2009, the Authority was still demanding the restoration charges on 08.04.2022.

(viii) The Revisional Court had definitely understood the plight of the petitioner and on 08.07.2024 granted the reliefs as had been prayed for by the petitioner i.e. the petitioner was given the benefit of zero period. Not only that, order dated 14.10.2013 cancelling the allotment of the petitioner and the order by which the restoration charges were being demanded were also set aside.

(ix) Despite the passing of Revisional Court order, the order dated 23.07.2025 had been passed after the matter was remanded back to the Authority by which the plot was though restored, a demand of restoration charges was being made.

(x) By the order dated 07.05.2025 though certain reliefs were given but certain demands were made which were not to be made and could not have been made by the Authority.

(xi) Even the order dated 19.08.2025, which had given certain benefits to the petitioner, was illegal to the extent that it had imposed penal interest to the tune of ₹ 57,82,697/-; had asked for lease rent of ₹ 4,42,25,920/- and the penal interest over it of ₹ 8,02,35,973/-. He submits that thus even the restoration charge of ₹1,63,60,868/- was illegally demanded.

(xii) The benefit of zero period should be given from 10.11.2006 when the first status quo order was passed by the High Court in the First Appeal from Order which was filed by the Samiti. The grant of zero period from 21.09.2009 i.e. from the grant of status quo order in the First Appeal filed by the Authority was insufficient. The Authority was aware that a status quo order was operating over the land since 10.11.2006 i.e. from even before the allotment of land to the petitioner was done.

(xiii) Even though the premium, which was to be paid by the petitioner, would definitely have to be paid but since the advantage of zero-period had been given and infact the petitioner had till date not been given the possession, the interest could not be charged for the late payment of any instalment. He further submits that definitely the penal interest could not be charged as there was no possession given.

(xiv) Since there was no fault of the petitioner in payment of the instalments and that payments were not made because simply possession was not given to the petitioner because of the existing status-quo order, therefore, the benefit of paying in instalments which were extended to the petitioner at the time of execution of lease-deed should be definitely given to the petitioner.

RESPONDENTS 2 TO 4 SUBMISSIONS:

16. Sri Shivam Yadav learned Counsel for the Authority has opposed the writ petition vehemently and has submitted that the petitioner was a lessee who ought to have come with open eyes and if it had got the allotment and if the lease-deed was executed in its favour then the

petitioner had to be bound by the terms of the lease.

17. Learned Counsel appearing for the Authority further submits that the petitioner was given the benefit of zero period w.e.f. 29.01.2009 and, therefore, all instalments, which were payable before that period, ought to have been paid and, therefore, the imposition of penal interest of ₹ 57,82,697/- was justified. He also states that for no reason, the land was left unoccupied and, therefore, the lease rent as had been demanded by the demand letter dated 19.08.2025 ought to have been paid by the petitioner.

RESPONDENT NO. 1 SUBMISSIONS:

18. Learned Standing counsel for respondent 1 submitted that the State Government exercising its powers under section 41(3) of the 1973 Act read with section 12 of the 1976 Act had already taken into consideration the difficulties faced by the petitioner with regard to the disputed land and had already set aside the cancellation order and its subsequent order for restoration charges. Learned Standing Counsel submitted that the State Government had already directed the Authority to give benefit of zero-period and to pass a fresh order keeping in mind the facts of the case especially the status quo order. It was further submitted that after the impugned order was passed, no revision was filed, therefore as on date the State Government has already exercised its discretion and granted relief to the petitioner. As regarding the challenge to the impugned order, the same is based upon the factors taken into consideration by the Authority and the same has to be tested considering the revisional order and the particular facts of the case.

19. We have heard the rival submissions and perused the records of the case. Based on the submission and records annexed the following points of determination are framed for adjudication of the dispute.

POINTS OF DETERMINATION:

20. The following points of determination arise in the present case:

(I) Whether the impugned orders dated 23.04.2025, 07.05.2025 and 19.08.2025 are liable to be set aside as being illegal and arbitrary?

(II) Whether the petitioner is entitled to be granted zero period from the date of allotment i.e. 27.07.2007 or from the date the High Court granted status quo order in First Appeal No. 790 of 2008 i.e. 29.01.2009?

(III) Whether the petitioner is entitled to any relief if (I) and (II) is answered in favour of the petitioner?

DISCUSSION:

21. Before this Court examines the rival submissions, certain unrefuted facts must be kept in mind to help understand the controversy better. They are as follows:

(i) The land in sector 42 and 43 was allotted to the Samiti. The allotment to the Samiti was cancelled in the year 1998. Pursuant to the cancellation, the Samiti filed Original Suit no. 278 of 2008 against the Authority. Initially the application for temporary injunction was rejected which prompted the Samiti to file a First Appeal From Order No. 1850 of 2006 in which a status quo order was passed on 11.12.2006 by the High Court.

(ii) The allotment of the plot in sector 43 was made to the petitioner on 27.07.2007. The lease deed was executed on 04.01.2008. Till the execution of the lease deed, the petitioner had deposited ₹2,32,76,799/-.

(iii) The First Appeal from Order was decided on 07.08.2008 and the Court directed for expeditious disposal of the suit with the direction that status quo order to continue.

(iv) The original suit was decreed on 10.09.2008. The Authority, being aggrieved by the decree, filed a First Appeal in the High Court, being First Appeal No.790 of 2008, in which on 29.01.2009 the High Court directed that "*It has been brought to our notice that during the pendency of the suit this Court in FAFO No.1850 of 2006 vide order dated August*

7, 2008 had directed the parties to maintain status quo. The suit has since been decreed. However, as the appeal has been admitted, we deem it fit and proper to direct the parties to maintain status quo as on the date of decreeing of suit."

(v) The High Court modified the status quo order dated 29.01.2009 on an application filed by the Authority in First Appeal No.790 of 2008 vide order dated 22.07.2016. The order dated 29.01.2009 was modified to the extent that the order of status-quo would remain operative only in respect of an area of 3,24,000 sq. meters being 40% of the total area of the land of the Samiti.

(vi) Actual physical possession was never handed over to the petitioner due to the status quo order passed in the Original Suit and the subsequent appeals by the Samiti and the Authority.

(vii) The revision was allowed on the ground that the status quo order passed by various Courts was not considered when the cancellation order was passed. Therefore, the cancellation order and the subsequent rejection order were set aside.

(viii) The report of the Authority dated 08.12.2023 admits that possession can now be transferred to the petitioner.

(ix) The policy of zero period was in operation on the date the status quo order was modified by the Court and the policy is still in effect.

22. Keeping in mind the above un-refuted facts, we have considered the rival submissions. Perusal of the records of the case show that when the allotment was made, the Original Suit No. 273 of 2006 was already instituted by the Samiti for plots in sector 42 and 43. The first status quo order in First Appeal From Order was granted on 10.11.2006. The status quo order was in respect of sector 42 and 43 and there was no way of ascertaining whether the plot allotted to the petitioner was outside the scope of litigation. This question becomes material considering the modification order passed by the High Court dated 22.07.2016 in First Appeal filed by the Authority against the judgment and decree passed against the Authority in the Original Suit of the Samiti. It is on

22.07.2016, the Authority could give possession of plot which would come in the land which was outside the 3,24,000 sq. mtrs on which status quo order was existing.

23. The cancellation order dated 14.10.2013 was passed when the status quo order in respect of entire lands of sector 42 and 43 was operating. However, the effects of the status quo order need not be elaborated as the order dated 14.10.2013 was subsequently set aside in the revision filed by the petitioner along with the order dated 08.04.2022 regarding rejection of request for restoration as well as request for zero period. The order dated 08.07.2024 was not challenged by the Authority and therefore the setting aside of the cancellation order as well as rejection of the request for restoration and grant of zero period is now final. Furthermore, the Authority has now proceeded to pass fresh orders in light of directions given in the revisional order which are now the impugned orders.

24. A perusal of the order of the revisional authority would reveal that the revision was allowed on the ground that the Authority while issuing the cancellation order did not consider that a status quo order was passed against the Authority due to which no possession could behanded over. The relevant portion of the order of the revision authority is reproduced below for better understanding:

> "15. अब प्रश्न उठता है कि मा० उच्च न्यायालय के आदेश दिनांक 29.01.2009 से यह भूखण्ड प्रभावित था अथवा नहीं। पुनरीक्षणकर्ता संस्था का यह कथन है कि मा० उच्च न्यायालय के इस आदेश के द्वारा सेक्टर 42 एवं सेक्टर 43 पर कोई निर्माण कार्य नहीं किये जा सकते थे, जब तक कि मा० उच्च न्यायालय द्वारा अपने आदेश दिनांक 22.07.2016 के द्वारा यथास्थिति के आदेश निरस्त नहीं कर दिये गये थे। स्पष्टतः, इस तथ्य की कोई विवेचना प्राधिकरण द्वारा पारित निरस्तीकरण आदेश दिनांक 14.10.2013 में नहीं की गई है। यदि मा० उच्च न्यायालय के यथास्थिति के आदेश से प्रश्नगत भूखण्ड प्रभावित था, तो ऐसी दशा में प्राधिकरण द्वारा अपनी शून्य काल दिये जाने की नीति के अंतर्गत कार्यवाही की जानी अपेक्षित थी। इस प्रकरण में प्राधिकरण द्वारा निरस्तीकरण आदेश इसलिए जारी किया गया है. क्योंकि पुनरीक्षणकर्ता संस्था द्वारा अपने देयकों को समय से जमा नहीं किया गया है। यदि प्राधिकरण की नीति के अंतर्गत उसे शून्य काल का लाभ प्रदान किया जाएगा, तो निश्चित ही ऐसे देयक भी प्रभावित होंगे।"

The revisional Authority was conscious of the fact that there was a status quo order which prevented the plot from being handed over to the petitioner. Also, if the zero period is allowed to the petitioner, then the reason for cancellation i.e. default in the lease premium would shift to a period after the expiry of the zero period as has been quoted above. Furthermore, the revisional authority held as following:

> "16. पुनरीक्षणकर्ता संस्था द्वारा निरस्तीकरण आदेश के विरूद्ध पुर्नस्थापना प्रार्थना पत्र भी दिया गया है, जिसको भी प्राधिकरण द्वारा अपने आदेश दिनांक 08.04.2022 के द्वारा निरस्त कर दिया गया है। इस आदेश में भी इस तथ्य पर विवेचना नहीं की गई है कि मा० उच्च न्यायालय द्वारा पारित यथास्थिति के आदेश दिनांक 29.01.2009 से प्रश्नगत भूखण्ड प्रभावित था अथवा नहीं।"

Thus, the revisional authority was not oblivious to the difficulties faced by the petitioner and the peculiar facts of the allotment. The revisional Authority took into consideration the status quo order granted by the High Court in the First Appeal. In fact by setting aside the cancellation order and the subsequent order of rejection, the revisional authority provided a clean slate to the Authority to proceed. The clean slate originated on the ground that the Authority never took into consideration that no possession could be given due to the status quo order and if the zero period was granted, then the liability to pay instalments would shift to the end of the zero period.

25. Upon examining the impugned order dated 07.05.2025, this Court cannot help but notice that the Authority has again failed to make amends to the mistakes committed while cancelling the allotment and rejected the request for restoration and grant of zero period. The revisional authority was clear in its order that the Authority will have to see the effect of the status quo order. The Authority while passing the impugned order gave the benefit of the zero period from the date the High Court granted the status quo order in the First Appeal filed by the Authority i.e. 29.01.2009 but in complete defiance of the order of the revisional authority setting aside the cancellation order, imposed

restoration charges on the petitioner. The Authority further directed that penal interest be charged on the three defaulted instalments.

26. Once the revisional authority had set aside the cancellation order and the subsequent rejection of request for restoration and grant of zero period, then the issue of restoration charges in the impugned order dated 07.05.2025 is patently illegal and arbitrary. The question of grant of restoration charges would only arise if the Authority were to decide the issue of restoration again in accordance with law. But in the present case, the revisional authority did not direct for decision on the request for restoration but rather directed for further action to be taken after confirming the fact of possession not being handed over to the petitioner. The revisional Authority held that "ऐसी स्थिति में आदेश दिनांक 14.10.2013 एवं आदेश दिनांक 08.04.2022 निरस्त किया जाता है एवं प्राधिकरण को निर्देशित किया जाता है कि उपरोक्त तथ्यों की विवेचना पुनः कर ली जाए।" Once the cancellation of the allotment was set aside then by necessary legal fiction, the plot stood restored and therefore there was no discretion left upon the Authority to examine the issue of restoration and imposition of restoration charges. Furthermore, imposition of restoration charges would apply when the order of cancellation was in operation. Here, the order of cancellation was set aside, therefore there is no question of any restoration much less any imposition of charges to restore the allotment.

27. The Authority having held that restoration charges would be applicable, it then proceeded to impose restoration charges to the tune of ₹1,63,60,868/- by means of order dated 19.08.2025. This imposition, in the considered view of this Court, is patently illegal and arbitrary. The reason being that the cancellation order stood set aside and the plot stood restored by the revisional authority. It also held that as the plot was cancelled due to default in payment of instalment, the same must be seen after grant of zero period to the petitioner as the grant of zero period

would change the payment schedule to a period after the zero-period expired.

28. Thus, considering the above, the imposition of restoration charges upon the petitioner are illegal and arbitrary and are liable to be set aside. Accordingly, the imposition of restoration charges in the order dated 07.05.2025 and the calculation of the restoration charges by order dated 19.08.2025 are set aside.

29. The next issue that the Authority had to consider was grant of zero period as the revisional court held that "यदि मा० उच्च न्यायालय के यथास्थिति के आदेश से प्रश्नगत भूखण्ड प्रभावित था, तो ऐसी दशा में प्राधिकरण द्वारा अपनी शून्य काल दिये जाने की नीति के अंतर्गत कार्यवाही की जानी अपेक्षित थी। इस प्रकरण में प्राधिकरण द्वारा निरस्तीकरण आदेश इसलिए जारी किया गया है. क्योंकि पुनरीक्षणकर्ता संस्था द्वारा अपने देयकों को समय से जमा नहीं किया गया है। यदि प्राधिकरण की नीति के अंतर्गत उसे शून्य काल का लाभ प्रदान किया जाएगा, तो निश्चित ही ऐसे देयक भी प्रभावित होंगे।"

30. As the Authority in its order dated 07.05.2025 has already granted benefit of zero period from 21.01.2009 to 07.05.2025, we need not examine this period as according to us, the benefit was rightly granted. However, the issue remains regarding grant of zero period from the date of allotment i.e. 27.07.2007 to the date of actual physical possession. This aspect has neither been considered in the order of the revisional authority nor in the impugned order even though the grant of first status quo order in the First Appeal from Order has an important bearing in the present dispute. As per the report of the Authority dated 08.12.2023, the Authority could not hand over the physical possession. Thus, from the date of allotment till today, no actual physical possession has been handed over to the petitioner.

31. The Authority was aware that an original suit regrading land in sector 42 and 43 was filed against it in the Civil Court. The Authority was also aware that a status quo order was passed by the High Court in the First Appeal from Order filed by the Samiti. On the date the allotment was made, the status quo order was in operation imposing a restriction on the Authority to physically hand over the allotted plot. Despite being aware of first status quo order, the Authority chose to execute a lease deed in favour of the petitioner without disclosing the actual location of the allotted plot. The status quo order continued during the pendency of the suit and upon the admission of the First Appeal by the Authority, another status quo order was granted. It is only on 22.07.2016, that the status quo order granted in the First Appeal was modified and it was clarified that the status quo order pertained only to 3,24,000 sq. mtrs of land allotted to the Samiti. In light of the above, it is clear to us that interest of justice would require us to grant the benefit of zero period from the date of allotment as otherwise the Authority would benefit from its own wrong. The Authority being fully aware of the restriction imposed upon it by the first status quo order chose to proceed further. Therefore, the conduct of the Authority does not justify the non-grant of zero period from the date of allotment. Even though the Authority only considers the grant of zero period benefit from the date of status quo order in the First appeal i.e. 21.09.2009, however in the present case, the grant of zero period must be reckoned from even before that. In coming to this conclusion, we have also taken into consideration that till date no actual physical possession has been given to the petitioner due to the status quo order.

32. Thus, in our considered view, the non-grant of zero period from the date of allotment is not justified. The zero period must be granted from 27.07.2007 i.e. the date of allotment.

33. The issue of imposition of penal interest due to default in payment of three instalments is justified or not is also to be considered. The Authority by its order dated 07.05.2025 held that as three instalments were due towards premium before 21.09.2009 therefore the petitioner is liable to charge penal interest. By means of order dated 19.08.2025, the same was quantified to ₹57,82,697/-. It must be kept in mind that the revisional authority had already held that as the cancellation order was passed only due to default in payment of instalments therefore if zero period is to be granted to the petitioner, then the liability to pay instalments along with interest would shift to a time period after the zero period expires. The Authority has already given a zero period from 21.09.2009 till 07.05.2025 and has accordingly shifted the instalments but we have held above that zero period must be granted from the date of allotment i.e. 27.07.2007 due to possession not being given to the petitioner therefore the penal interest is also liable to be set aside. Accordingly, the penal interest on defaulted instalments is set aside.

34. The quantification by the Authority in its order dated 19.08.2025 has also been challenged by the petitioner stating that the entire calculation is arbitrary and illegal. Contention has been raised that the premium was to be paid in 16 equal instalments and a tabular chart was also given to the petitioner showing the payment schedule after considering the zero period. However, by means of order dated 19.08.2025, the entire premium has been asked for. Lease rent has also been quantified which cannot be done as no possession has been handed over to the petitioner. Upon examination of the order dated 19.08.2025 and the payment schedule attached along with the order, we find that the entire premium that was due amounting to ₹6,98,30,400/- has indeed been demanded even though the payment schedule attached with the order specifies various dates, the last being 23.04.2031 before which the last instalment is to be paid. The counter affidavit filed by the Authority is completely silent regarding this aspect and therefore we have no

hesitation to hold that the demand of the entire premium amount is completely unjustified. There is no denial of the liability to pay the premium, but the liability is contingent upon 16 instalments given to the petitioner. The last instalment is due on 23.04.2031 and therefore even from the own records of the Authority there is no justification to demand the entire premium in one go when as per the covenants of the lease deed, the petitioner is entitled to 16 instalments to pay the premium. Accordingly, the demand of the entire lease premium in one go is unjustified and is accordingly set aside. Consequently, the demand of interest on the lease premium is also set aside. The petitioner is entitled to payment of instalments as per the covenants of the lease deed which shall be calculated and payment schedule intimated taking into consideration the grant of zero period.

35. The question of demand of lease rent has also been contented as being illegal. In this context it would be useful to refer to the directions of the revisional authority which directed that possession be given as per the prevailing policy of the Authority. It is also admitted that till date the petitioner has not been given the actual physical possession of the allotted plot. The same is borne out from the report dated 08.12.2023. The question whether lease rent is payable when physical possession has not been given is no longer *res-integra.* In ***Vision Town Planners Private Limited vs. State of U.P. and 2 others***[1]***;*** it was held that if possession has not been given then there is no question of any lease rent being paid. In **M*/S Silverline Furnishing And Furnitures Private Limited vs. State of U.P. and others***[2]***;*** a coordinate bench of this Court was called upon to consider whether lease rent was justified when the possession was not handed over. The Court concluded that as no possession was given, imposition of lease rent was not justified. We have perused the same and see no reason to differ from the ratio laid down in the *Vision Town Planner (supra)* and *Silverline Furnishing (supra).*

1 **2026(1) ADJ 574**
2 2023:AHC:207677

Accordingly, we hold that the demand of lease rent is unjustified and is set aside. Consequently, the demand for interest on lease rent is also set aside. The same can only be made once actual physical possession is given to the petitioner.

36. The order dated 23.04.2025 is a mere intimation that the plot has been restored with certain charges. As we have held that restoration charges were unjustified as well as the zero period was to be granted from 27.07.2007 therefore the order dated 23.04.2025 is also set aside considering the above findings.

37. Since we have already held above that the allotment of the plot already stood restored by order dated 08.07.2024 and the imposition of restoration charges along with other charges are unjustified, therefore the petitioner is entitled to actual physical possession of the plot which shall now be given by the Authority in accordance with the directions issued by this Court.

ANSWERS TO THE POINTS OF DETERMINATION:

38. Regarding issue no. 1 as to Whether the impugned orders dated 23.04.2025, 07.05.2025 and 19.08.2025 are liable to be set aside as being illegal and arbitrary the issue is answered in the affirmative holding that the orders are unjustified and are set aside.

39. Regarding Issue no. 2 as to Whether the petitioner is liable to be granted zero period from the date of allotment i.e. 27.07.2007 or from the date the High Court granted status quo order in First Appeal No. 790 of 2008 i.e. 29.01.2009 the issue is answered holding that the zero period is to be reckoned from 27.07.2007 i.e. the date of allotment.

40. Regarding issue no. 3 as to Whether the petitioner is entitled to any relief if (I) and (II) is answered in favour of the petitioner, the following directions are issued:

(a) The zero period is to be granted from 27.07.2007 till the date of actual physical possession.

(b) The petitioner shall be given actual physical possession of the allotted plot within a period of two weeks from the date of production of certified copy of this order.

(c) The revised payment schedule for instalments for lease premium shall be recalculated considering the zero-period granted by this Court. The lease premium shall be split in 16 equal instalments as per the lease deed. Default in the payment of instalments as per the revised payment schedule shall open the petitioner to the legal consequences as defined in the lease deed.

(d) The lease rent shall commence from the date of actual physical possession. The petitioner shall have to option to make yearly payments or one time lease rent payment as per clause I (b) of the lease deed.

(e) Non-development charges or time extension charges shall not be imposed on the petitioner due to possession not being given to the petitioner.

(f) From the date the actual physical possession is handed over to the petitioner, the petitioner shall have two years to complete the construction. In case of default of the same, legal consequences are to follow.

CONCLUSIONS :

41. In light of the findings and directions given above, the writ petition is accordingly, **allowed**. There shall be no order as to cost.

(Kunal Ravi Singh, J.) (Siddhartha Varma, J.)

November 12, 2026/Sumit S

Digitally signed by :-
SUMIT SRIVASTAVA
High Court of Judicature at Allahabad