


HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 5754/2026

1. M/s. Akansha Infra Housing Project, 2-F-26, Vigyan Nagar, Kota Through Its Partner Shri Ghanshyam Gupta S/o Shri Chandmal Gupta, Aged About 61 Years, R/o 5-C, Vallabh Bari, Kota.
2. M/s. Akansha Empire, 2-F-26, Vigyan Nagar, Kota Through Its Partner Shri Ghanshyam Gupta S/o Shri Chandmal Gupta, Aged About 61 Years, R/o 5-C, Vallabh Bari, Kota.

----Petitioners

Versus

1. Kota Development Authority, Kota, Through Its Chairman, Kota Development Authority, Cad Circle, Dadabari, Kota.
2. Commissioner, Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.
3. Secretary, Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.
4. Director (Finance) Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.
5. Director (Planning), Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.

----Respondents

Connected With

S.B. Civil Writ Petition No. 5753/2026

1. M/s. Akansha Infra Housing Project, 2-F-26, Vigyan Nagar, Kota Through Its Partner Shri Ghanshyam Gupta S/o Shri Chandmal Gupta, Aged About 61 Years, R/o 5-C, Vallabh Bari, Kota.
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4. Director (Finance) Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.

5. Director (Planning), Kota Development Authority, Kota Development Authority, Cad Circle, Dadabari, Kota.

----Respondents

For Petitioner(s) : Mr. Amit Jindal with
Mr. Shubham Arora
Mr. Anukram Singh
Ms. Brahmi Jain
Mr. Neelam Choudhary

For Respondent(s) : Mr. Satya Narayan Kumawat
Mr. Vipin Khatri
Dr. Nitu Singh, Director (Finance)
Mr. Rajeev Garg, Director (Law), KDA

HON'BLE MR. JUSTICE SAMEER JAIN

Judgment

1	Arguments concluded on	23/04/2026
2	Judgment Reserved on	23/04/2026
3	Full Judgment or Operative Part Pronounced	Full Judgment
4	Pronounced on	16/05/2026

1. In the present batch of writ petitions, the scope of the controversy involved, albeit not limited to, is broadly and predominantly defined by the challenge raised *qua* the arbitrary, illegal, and unilateral action of the respondents-Kota Development Authority in refusing to refund the financial deposits amounting to approximately Rs. 9.46 Crores and threatening the punitive forfeiture of the said earnest money and security deposits submitted by the petitioner pursuant to an e-auction process.

2. Consequently, considering the fact that the writ petitions warrant adjudication on common questions of law and fact; with the consent of learned counsel appearing on behalf of all the parties, **S.B. Civil Writ Petition No. 5754/2026** is being taken up as the lead petition. It is cautiously clarified that any discrepancies in the present batch of writ petitions, pertain purely

to the factual narratives contained therein and not *vis-a-vis* the questions of law to be determined by this Court; the instant judgment shall be applicable on the petition connected herein/henceforth on *mutatis mutandis* basis.

FACTUAL MATRIX OF THE LIS AT HAND :

3. Before advertng to the rival submissions and entering upon the arena of arguments advanced by the learned counsel for the respective parties, it is considered apposite to delineate the factual background and the circumstances, in a nutshell, which have culminated in the present adjudication:

3.1 The core of the present controversy stems from two auction notices dated 15.06.2023 (Annexure-3) and 27.06.2023 (Annexure-6) issued by the respondent-Kota Development Authority, formerly recognized and operating as the Urban Improvement Trust, Kota (for short, 'UIT'), to auction two distinct but structurally similar commercial plots, one being Plot CP-01 (having total area of 7376 sq. meters) and other being Plot CP-02 (having total area of 7346 sq. meters) respectively situated at Village Kunhadi, Kota, Rajasthan which is located adjacent to the Pratap Smarak Commercial Scheme, Kota, Rajasthan.

3.2 Pursuant to the said e-auction notices, the petitioner entity-M/s. Akansha Infra Housing Project, actively participated in the said e-auction proceedings. While the officially assessed reserve price *qua* both the aforesaid plots was fixed at Rs. 12,500/- per square meter, the respondents fixed the competitive bidding to start at a price of Rs. 40,000/- per square meter for the Plot CP-01 and Rs. 44,000/- per square meter for the Plot CP-02.

3.3 It is an undisputed fact that the petitioner entity deposited earnest money amounting to Rs. 59,00,800/- to participate in the e-auction proceedings for the Plot CP-01 and further deposited earnest money amounting to Rs. 64,64,500/- to participate in the auction proceedings for the Plot CP-02.

3.4 Having participated and successfully emerged as the highest bidder, the petitioner entity complied with the administrative stipulations requiring a deposit of 15% of the total final auction amount within a stringent, non-negotiable period of exactly three days following the formal conclusion of the auction proceedings.

3.5 For Plot CP-01, the petitioner deposited an initial threshold security amount of Rs. 64,64,500/- and subsequently deposited an additional sum of Rs. 3,87,42,440/- bringing the total amount deposited for Plot CP-01 to Rs. 4,46,43,240/- (Annexure-9). A parallel deposit amounting to the tune of Rs. 4,99,71,165/- (Annexure-10) was made for Plot CP-02 as well, thereby cumulatively aggregating to approximately Rs. 9.46 Crores across both the auction process.

3.6 Vide order dated 06.11.2023, allotment letter of Plot CP-01 came to be issued/transferred in favor of petitioner No.2 who is the sister firm of petitioner No.1. However, after being declared as the successful auction purchaser, the petitioners encountered severe, fundamental, and incurable defects regarding the physical and administrative reality of the auctioned properties.

3.7 The petitioners discovered active and deeply entrenched physical encroachments upon the said auction purchased plots. Moreover, profound discrepancies were identified in the physical

demarcation and actual dimensions of the plots by the petitioners, which did not align with the specifications explicitly mentioned and published by the respondent-authority in the e-auction notices as well as mentioned in the report formulated by the Junior Engineer (for short, 'JEN') of the respondents. Compounding this, the petitioner found itself unable to attain free and unhindered access to the auction purchased plots.

3.8 Driven by the absolute commercial impossibility of utilizing the encumbered and dimensionally defective land, the petitioner formulated and submitted exhaustive formal representations to the respondents, seeking to highlight the impossibility of getting the encroachment free plots. Receiving no legally tenable or commercially satisfactory response, the petitioner submitted an application dated 13.11.2025 (Annexure-17) and formally opted to withdraw from the projects and requested a legitimate refund of the partial amounts that have been deposited by the petitioner-entity in furtherance of the aforesaid auction proceedings.

3.9 After several rounds of intra-department communications, issuing various note-sheets, and forming different committees, the respondents through their internal committee proposed to issue the demand notice to the petitioners to pay the remaining amount, along with the applicable interest and penalties.

3.10 Being aggrieved by the proposal of the respondent authority to forfeit the entire deposited amount of approximately Rs. 9.46 Crores and in apprehension of issuance of the demand notice against the petitioners, the present bunch of petitions has been filed.

SUBMISSIONS PUT FORTH ON BEHALF OF THE PARTIES :

4. At the outset, learned counsel appearing on behalf of the petitioner vehemently contended that the action of the respondent-authority in withholding and proposing to forfeit the deposited amount of approximately Rs. 9.46 Crores is *ex facie* illegal, arbitrary, and suffers from patent perversity.

5. It was argued that the respondent authority, who is one of the instrumentality of the State, had fundamentally failed to deliver unencumbered land/plots to the petitioner. It was submitted that the physical land parcels which the petitioners purchased in furtherance of the auction conducted by the respondents were encroached upon, and the actual dimensions of the land available on the ground were substantially less than the prescribed area of 7376 square meters and 7346 square meters formally advertised by the respondents in the binding auction notices.

6. It was submitted that in the context of large-scale commercial real estate infrastructure, guaranteed ingress and egress are fundamental, non-negotiable prerequisites without which the land holds zero commercial utility.

7. Learned counsel relied upon the internal note-sheets of the respondent-KDA (Annexure-18 & Annexure-19), asserting that the said documents categorically prove the existence of encroachments and size variances, as categorical instructions were internally issued by the respondent-authority to its officers to make the land encroachment-free and several committees were formulated *qua* the same.

8. Relying upon the order dated 25.03.2025 passed by the respondent authority itself and the order dated 21.09.2021 passed by the Co-ordinate Bench of this Court in **S.B. CWP No.14194/2018** titled **Dr. Shailendra Birla & Others v. Mr. Prahlad Gujral**, learned counsel submitted that in identical pleas regarding dispute in ad-measuring area of the land, the respondent authority was constrained to issue full refund of the deposited amount in favour of the petitioners therein. It was also submitted that a discriminatory 'pick and choose' method is being adopted by the respondents against the petitioners on an arbitrary basis, and the same is driven by systemic *mala fides*.

9. Making the aforesaid submissions, it was prayed by the learned counsel to allow the present petition by directing the respondent-authority to refund the entire deposited amount of approximately Rs. 9.46 Crores in favour of the petitioners.

10. *Per contra*, the learned counsel appearing on behalf of the respondents stoutly opposed the present petitions and contended that the matter at hand pertains to a purely contractual dispute and the same is devoid of public law elements, wherein strict terms and conditions were mandated to be adhered to within a specified time limit, and therefore, the present writ petitions are not maintainable under Article 226 of Constitution of India.

11. It was submitted that public real estate auctions are governed by the doctrine of *caveat emptor* (let the buyer beware) and standard 'as is where is' clauses. It was asserted that it was the absolute duty of the petitioner to physically measure and inspect the plots/land in question prior to participating in the e-

auction. Reliance in regard of the aforesaid has been place upon the ratios spelled out by the Hon'ble Supreme Court in **UT Chandigarh Administration & Anr. v. Amarjeet Singh and Others, (2009) 4 SCC 660** and **Punjab Urban Planning and Development Authority & Others v. Raghu Nath Gupta and Others, (2012) 8 SCC 197.**

12. It was further submitted that the petitioners' grievances regarding encroachments and reduction in the ad-measuring area is nothing but a pure afterthought and that the same is merely a feeble and irrational excuse concocted to fraudulently escape from the binding financial liability to pay the remaining 85% amount after experiencing buyer's remorse.

13. Lastly, placing reliance upon the ratios encapsulated by the Hon'ble Supreme Court in **State of Uttaranchal & Anr. v. Sunil Kumar Vaish and Others, (2011) 8 SCC 670** and **State of Orissa & Others v. M/s Mesco Steels and Anr., 2013 (1) WLC (SC) Civil 561**, the learned counsel for the respondents vehemently argued that internal note-sheets issued by an authority are merely expressions of opinion exchanged during the internal administrative communications and the same do not constitute a final or binding decision of the State or the Authority.

14. Making the aforesaid submissions, it was prayed that the present petitions should be dismissed at the threshold.

DISCUSSION AND FINDINGS :

15. Having heard the rival arguments advanced by learned counsel for the parties at length and upon an assiduous perusal of the material available on record, including the administrative

records, note-sheets issued by the respondent-authority and judgments cited at Bar, this Court has formulated the following views:

16. As a threshold matter, this Court must address the respondents' primary defensive shield that the dispute at hand is purely contractual and thus falls outside the purview of Article 226 of the Constitution of India. It is a well-settled proposition of law that when a statutory body akin to the respondent-authority enters into a commercial contract via a public auction, its actions are not immune from the strictures and provisions enshrined under Article 14 of the Constitution of India. The State and its instrumentalities are constitutionally bound to act with absolute fairness, reasonableness, and non-arbitrariness. To substantiate this settled position of law, it is apposite to rely upon the ratios encapsulated by the Hon'ble Supreme Court in **Subodh Kumar Singh Rathour v. The Chief Executive Officer & Ors., 2024 SCC OnLine SC 1682** and **M.P. Power Management Co. Ltd. v. Sky Power Southeast Solar India (P) Ltd., (2023) 2 SCC 703**, wherein delineating the scope of judicial review under Article 226 of the Constitution of India, it was categorically held that jurisdiction of the writ court is not excluded in contractual matters if the State instrumentality acts in a palpably arbitrary or unjust manner. The proposal *qua* forfeiture of a colossal sum of Rs. 9.46 Crores by an instrumentality of the State, amidst severe, substantiated allegations of structural administrative failure, unquestionably warrants strict constitutional scrutiny.

17. Adverting to the nitty-gritty of the instant dispute, the core issue revolves around the presence of encroachments and the material deviation in the plot dimensions. This Court is of the opinion that it is the solemn and foundational duty of the auctioning authority to provide clear, unencumbered, and encroachment-free land to the successful auction purchaser. When a statutory authority demands a colossal premium over the assessed reserve price, inflating the starting bid from Rs. 12,500/- to Rs. 44,000/- per square meter, it implicitly and fundamentally warrants that the premium asset being sold is in pristine condition, immediately accessible, legally clear, and entirely free of debilitating defects like entrenched third-party encroachments.

18. It is an admitted position that the petitioner has invested a colossal amount of sum in a commercial project, which inherently needs to be completed and sold within a strictly stipulated period to remain commercially viable. In commercial matters, time is of the absolute essence. It is evident from the record that the petitioner filed various letters and representations requesting the respondent-authority to immediately remove the encroachments so that the said land could be effectively utilized by the petitioner on time.

19. While the respondents have categorically stated before this Court that the encroachments have been removed in recent times and a clear site has now been offered to the petitioner, such belated compliance is legally and commercially untenable. The encroachments from the plots in question were not removed on time when the initial obligations were triggered. If the remaining

85% of the bid amount needs to be deposited in full by the petitioner within a strict timeline, then it is the reciprocal and preceding duty of the respondent to provide an absolute encroachment and encumbrance-free plot to the petitioner. Since the respondent failed to discharge this foundational duty on time, the petitioner possessed a completely *bona fide* and legitimate justification to not deposit the remaining 85% amount within the prescribed timeline. Consequently, the interest of a vigilant investor and a *bona fide* petitioner must be vigorously protected by this Court.

20. Adverting to the respondents' arguments that the internal note-sheets are merely expressions of opinion and do not constitute a binding decision of the Authority or the State, this Court observes that while a note-sheet may not necessarily crystallize into a binding policy decision/directive, the factual contents recorded therein unequivocally operate as an admission of fact. The assiduous perusal of the note-sheets annexed by the petitioners explicitly reveals that specific and categorical instructions were given by higher authorities of the respondents to the subordinate officers to make the land in question encroachment-free, and several specialized committees were formulated *qua* the same. When the respondent-authority has categorically stated in its own internal note-sheets that encroachments should be removed, it amounts to an irrefutable admission that the land was indeed encroached at the time of the auction. The relevant findings by the respondent authority on the note-sheet dated 01.05.2024 are reproduced as under:

“65. ग्राम कुन्हाड़ी प्रताप स्मारक के सपीम व्यवसायिक योजना के भूखण्ड संख्या CP-1 एवं CP-2 (कॉर्नर) के सम्बन्ध में तथ्यों के परीक्षण एवं मूल्यांकन हेतु समिति की बैठक दिनांक 19/04/2024 को 3:00 बजे समिति के अध्यक्ष श्रीमान उप सचिव महोदय की अध्यक्षता में मंथन सभागार में सम्पन्न हुई, जिसमें निम्नानुसार अधिकारी उपस्थित हुए:—

- | | | |
|-------------------------|---|---------|
| (1) उप सचिव | — | अध्यक्ष |
| (2) वरिष्ठ लेखाधिकारी | — | सदस्य |
| (3) वरिष्ठ नगर नियोजक | — | सदस्य |
| (4) वरिष्ठ विधि अधिकारी | — | सदस्य |
| (5) अधिशाषी अभियांता | — | सदस्य |
| (6) तहसीलदार | — | सदस्य |

समिति द्वारा भूखण्डों से संबंधित तथ्यों के परीक्षण एवं मूल्यांकन के संबंध में रिपोर्ट निम्नानुसार है:—

- (1) भूखण्ड संख्या CP-1 एवं CP-2 व्यवसायिक भूखंडों का विक्रय न्यास द्वारा ई-नीलामी के माध्यम से किया गया है।
- (2) उक्त भूखण्डों की कुल प्रिमियम राशि (मूल्य) नीलामी समाप्ति के 3 कार्य दिवस में 15 प्रतिशत, नीलामी समाप्ति तिथि से 120 दिवस में 35 प्रतिशत एवं शेष देय राशि 50 प्रतिशत नीलामी समाप्ति दिनांक से 180 दिवस में बिना ब्याज जमा करानी थी।
- (3) आवंटी द्वारा दिनांक 7/11/2023, 14/02/2024 व 4/03/2024 को प्रार्थना-पत्र प्रस्तुत कर क्रमशः भूखण्डों की मौके की नाम एवं नीलामी के समय जारी साईट प्लान में दर्शित नापों में भिन्नता एवं भूखण्डों पर अतिक्रमण होने से अवगत करवाया गया है। आवंटी द्वारा भूखण्ड पर हो रहे अतिक्रमण को हटाकर अतिक्रमण हटाए जाने की दिनांक से भूखण्ड की शेष राशि जमा किए जाने की डिमांड जारी किए जाने का निवेदन किया गया है।
- (4) भूखण्ड के नाम पत्रावली की कार्यालय टिप्पणी में कनिष्ठ अभियन्ता द्वारा अंकित किए गए हैं, जिसके अनुसार मौके पर नाप नीलामी हेतु प्रकाशित विज्ञप्ति से अधिक दर्शित है।
- (5) भूखण्डों पर अतिक्रमण के संबंध में न्यास की रिपोर्ट अनुसार भूखण्डों में रिवसर फ्रंट के संवेदकों द्वारा प्लांट निर्माण से संबंधित सामग्री एवं कच्ची झोपडियां/टापरियां बनाई हुई होना एवं भूखण्ड के अंदर कुछ टापरियां बनाकर किसी के द्वारा अतिक्रमण किया होना उल्लेखित है।

(6) भूखण्डों के अतिक्रमण हटाने के सम्बन्ध में पत्रावली तहसील शाखा में भिजवाई गई है, परन्तु अतिक्रमण हटाए जाने के सम्बन्ध में पत्रावली पर वर्तमान तक कोई बिन्दु उल्लेखित नहीं है। सम्बन्धित अधिशाषी अभियन्ता एवं तहसीलदार न्यास द्वारा भूखण्डों के अतिक्रमण मुक्त होने की जानकारी समिति को दी गई है।

(7) आवंटी के पत्र दिनांक 1/03/2024 कार्यालय में प्राप्ति दिनांक 4/03/2024 में उल्लेख किया गया है कि पूर्व में स्वामी विवेकानंद नगर गुप हाउसिंग योजना के भूखण्ड सं० 4 की संपूर्ण राशि जमा एवं रजिस्ट्री किए जाने के उपरान्त भी भूखण्ड में अतिक्रमण है। इसी प्रकार बालाजी मार्केट व्यावसायिक योजना में क्रय किए गए भूखण्ड की 15 प्रतिशत राशि न्यास में जमा है एवं शेष 35 एवं 50 प्रतिशत राशि के चैक न्यास में जमा करवाए गए हैं, परन्तु भूखण्ड पर न्यायालय में स्थगन के कारण राशि जमा नहीं की हुई है, ना ही रजिस्ट्री की कार्यवाही की गई है।

उपरोक्त तथ्यों के दृष्टिगत भूखण्डों के आवंटी द्वारा भूखण्डों पर अतिक्रमण हटाए जाने की तिथि से भूखण्डों की शेष राशि जमा किए जाने के सम्बन्ध में संशोधित डिमांड जारी किए जाने/मूल्यांकन हेतु प्रकरण न्यास मण्डल के समक्ष विचारार्थ रख प्रशासनिक निर्णय लिया जाना उचित होगा।

तहसीलदार
(सदस्य)
नगर विकास न्यास, कोटा

अधिशाषी अभियन्ता
(सदस्य)
नगर विकास न्यास, कोटा

वरिष्ठ विधि अधिकारी
(सदस्य)
नगर विकास न्यास, कोटा

वरिष्ठ नगर नियोजक
(सदस्य)
नगर विकास न्यास, कोटा

वरिष्ठ लेखाधिकारी
(सदस्य)
नगर विकास न्यास, कोटा

उप सचिव
(अध्यक्ष)
नगर विकास न्यास, कोटा"

(emphasis supplied)

In light of the said observation, this Court is of the view that the findings of the respondent-authority on the note-sheet constitutes a clear admission of the actual and physical reality of the site.

21. Moreover, it is evident from the note-sheets of the respondent-authority that the actual ad-measuring area of the land available on the ground is significantly and materially less than what was explicitly stated and advertised at the time of the

e-auction (7376 sq. meters for Plot CP-01 and 7346 sq. meters for Plot CP-02). The argument of the respondents that the petitioner should have measured the land beforehand is legally absurd. It is no duty of the successful bidder to carry out a forensic measurement of the land area on its own prior to participating in a state-sponsored e-auction. The bidder is fully entitled to rely upon the solemn representations made by an instrumentality of the State in its official auction notices/advertisements.

22. The judgments relied upon by the respondents to invoke the doctrine of *caveat emptor* (buyer beware) and the 'as is where is' principle, such as the ratios encapsulated by the Hon'ble Supreme Court in **Amarjeet Singh (supra)** and **Raghu Nath Gupta (supra)** are palpably and demonstrably distinguishable from the facts of the present case. Upon bare perusal of the aforesaid ratios, this Court is of the view that the above-referred judgments primarily dealt with scenarios where the successful bidder subsequently demanded the provision of basic amenities like electricity supply, water supply, or sewerage connections on an 'as is where is' plot. The present case does not revolve around a demand for ancillary basic amenities; rather, it strikes at the very root of the contract, i.e., the absolute failure to deliver encroachment-free possession of the advertised land. The State cannot hide behind standard 'as is where is' clauses to auction fundamentally encumbered properties and subsequently penalize the auction purchaser for the State's own failure.

23. Relying upon the ratio spelled out by the Hon'ble Supreme Court in **M/s Kailash Nath Associates v. Delhi Development**

Authority & Anr., (2015) 4 SCC 136, wherein it has been categorically held that Section 74 of the Indian Contract Act, 1872 applies to cases of forfeiture of earnest money, and that forfeiture without any actual loss being proved by the State authority is entirely arbitrary and violative of Article 14 of the Constitution of India, this Court is of the view that the proposed forfeiture of the deposited amount of approximately Rs. 9.46 Crores by the respondent-authority in the face of its own absolute impossibility of performance borders on unjust enrichment. The respondent-authority cannot unjustly absorb the amount deposited by the petitioner into the state treasury without providing any reciprocal, usable consideration of value to the petitioner.

24. Moreover, maintaining parity and relying upon the judgment passed by the Co-ordinate Bench of this Court in **Dr. Shailendra Birla (supra)**, this Court is of the opinion that no forfeiture of the deposited amount should be made by the respondent-authority and the entire deposited amount should be refunded back to the petitioners along with the interest. The relevant extract of the said judgment is reproduced as under:

"5. Admittedly, the petitioner participating in the auction proceedings deposited the earnest money and thereafter also have deposited 25% of the amount as noticed above without going into the question whether the order dated 30.04.2018 quashing the auction proceedings were correct or not.

6. In view of the subsequent prayer made by learned counsel for the petitioner and in the amended writ petition, this Court deems it appropriate to close these proceedings with direction to the respondent/s to

refund the amount deposited by the petitioners in 2018 along with interest at the rate of 10% per annum.

7. *The said amount shall be refunded positively within a period of one month from today, failing which the interest rate shall be increased to 18%."*

(emphasis supplied)

25. It is observed by this Court that the plots in question are situated in the city of Kota, Rajasthan which is the educational hub and the said land is in close proximity of the Chambal River Front Project, which on completion will be the main tourist attraction in and the same will be of vital importance in the city of Kota as argued by the learned counsel for the petitioner and the said fact has not been refuted by the learned counsel for the respondents, and therefore, the said land will not depreciate its value but will only appreciate with the passage of time. In light of the aforesaid observations, this Court that in the event of re-auction of the said plots no prejudice/loss will be caused to the respondent-authority rather the said plots will fetch higher price than the amount received from the petitioner in the present auction process.

CONCLUSION :

26. This Court deems it apposite to express its strong deprecation of the manner in which the respondent-authority has conducted itself. Urban Development Authorities fundamentally rely on high market confidence to successfully monetize land banks and fund vital public infrastructure. If the prevailing market perception dictates that statutory authorities routinely advertise encumbered land, systematically ignore legitimate representations regarding severe physical defects, and then ruthlessly weaponize

standard forfeiture clauses against trapped investors, it will inevitably create a toxic, litigious environment that deters serious infrastructure developers from participating in the auction or tender proceedings *qua* the public lands.

27. In view of the foregoing discussions, findings, and analysis, this Court is of the considered view that the action of the respondents in denying the refund of the entire security deposit amount and attempting to forfeit the earnest money/security deposit is *ex facie* illegal, arbitrary, and cannot be sustained in the eyes of law.

28. Accordingly, the present batch of writ petitions is **allowed**. The impugned actions/recommendations put forth by the respondent-authority proposing the forfeiture of the amounts deposited by the petitioner are hereby quashed and set aside.

29. In light of the aforesaid, the respondent-Kota Development Authority is directed to forthwith process and release the full and complete refund of the entire deposited amount aggregating to Rs. 9,46,14,405/- (Nine Crores Forty Six Lakh Fourteen Thousand Four Hundred and Five Rupees) and any other amount deposited towards security deposit or earnest money within a period of three months from the date of pronouncement of the present judgment.

30. Pending applications, if any, shall stand disposed of.

31. A copy of the present judgment shall be placed in the connected petition.

(SAMEER JAIN),J