

Delhi Development Authority v. Karamdeep Finance and Investment (I) Pvt. Ltd. and others

Civil Appeal Nos. 1533-1534 of 2019

[2019] 3 SCR 725 | 2019-02-12

Consequences of Chapter XX-C acquisition and resale of leasehold property for unearned increase, title conveyed and later conversion charges

Income-tax Act, 1961: sections 269UC, 269UD(1) and 269UE(1) | Government Grants Act, 1895: sections 2 and 3

Two-judge bench; judgment delivered by Ashok Bhushan, J. | Ashok Bhushan, J. | K. M. Joseph, J.

Historical ruling; verify current law

This judgment applies historical legislation and facts. Do not treat this note as a current-law or citator-status certificate.

01 FACTS OF THE CASE

A DDA lease required consent and payment of 50 percent unearned increase on transfer. After an agreement to sell was reported under Chapter XX-C, the appropriate authority compulsorily purchased the property and the Income-tax Department paid DDA unearned increase. The Department then auctioned the property to Karamdeep, which later disputed DDA's further demand and claimed freehold rights.

Source: [Primary judgment: facts and procedural setting](#)

02 DISCUSSION BY THE HON'BLE COURT

Because DDA had received the unearned increase and the Department later obtained a higher public-auction price, DDA could not levy it again. But the auction notice described a leasehold residential plot. Read with the notice and amended section 269UE(1), the sale deed transferred the rights available under the underlying agreement, not a greater freehold estate.

Source: [Primary judgment: reasoning](#)

03 JUDICIAL DECISION

The further unearned-increase demand was unsustainable. The purchaser acquired leasehold rights and was not entitled to refund of conversion charges, but DDA was directed to process its conversion application.

Source: [Primary judgment: holdings](#)

04 OUTCOME / IN WHOSE FAVOUR

Civil Appeal No. 1534 of 2019 was disposed of by upholding the High Court subject to the conversion-processing direction; Civil Appeal No. 1533 of 2019 was dismissed. Parties bore their own costs.

Source: [Primary judgment: operative disposition](#)

05 AKHB REVIEW POINT

AKHB analysis: when Chapter XX-C acquisition intersects with government leasehold property, trace the precise estate in the agreement, auction notice and sale deed. Payment of unearned increase and public auction do not themselves enlarge leasehold rights into freehold rights.

Source: [Primary judgment: review-point basis](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Complete 24-page SCR report read in page-preserving text and every page image inspected, from the reported opening page through the operative disposition.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 24-page count verified; every page was read and visually inspected.

STATUTORY SCOPE

Historical statutory provisions are described as they appeared in the report. Verify the current enactment, amendments and later judicial treatment before reliance.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. The note reports the historical statutory text and result in this primary report only.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

PROFESSIONAL DISCLAIMER

General legal and tax research only; not legal or tax advice. Verify the complete judgment, governing statutory version and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.