

(2014) 03 AP CK 0017

In the Andhra Pradesh High Court

Case No : Writ Petition No. 10570 of 2006

Gujrat Ambuja Cement Limited

APPELLANT

Vs

Andhra Pradesh Industrial Infrastructure Corporation Ltd. and
Others

RESPONDENT

Date of Decision : 18-03-2014

Acts Referred:

Constitution of India, 1950 — Article 12 226

Citation : (2014) 6 ALD(Cri) 709

Hon'ble Judges : A. Ramalingeswara Rao, J

Bench : Single Bench

Advocate : M.P. Chandramouli, for the Appellant; P. Roy Reddy, for the Respondent

Final Decision : Dismissed

Judgement

A. Ramalingeswara Rao, J.—Heard Sri E. Manohar, the learned Senior Counsel for petitioner and the learned Advocate General, representing Sri P. Roy Reddy, the learned Standing Counsel for respondents. The facts in this case are undisputed. The petitioner is a company incorporated under the provisions of the Companies Act, 1956 in the year 1984 and commenced its commercial production of cement in 1986. It is stated to be the first company in India which introduced bulk transportation of cement through sea route and it owns 3 bulk terminals apart from owning 3 ports and 7 ships. The petitioner company's production is over 13 million tons per annum.

2. The petitioner company wanted to establish a cement plant at Nadikudi and grinding unit in Kakinada by harnessing the large un-exploited limestone deposits in Dachepalli, Gurazala and Karempudi mandals of Guntur District. It acquired Acs. 1052 of land through the first respondent at Nadikudi. It further acquired an extent of Acs. 20 of land through private negotiations. It obtained two mining leases of 277.87 hectares and 673.73 hectares from the Government of Andhra Pradesh and obtained various permissions and statutory clearances from various

Departments of State and Central Governments.

3. On 02.01.1995, the petitioner company applied to the first respondent for allotment to an extent of land Acs. 100.00 at Industrial Development Area, Vakalapudi near Kakinada deep-water port for establishment of clinker grinding unit. Accordingly, the first respondent by letter dated 04.03.1995 allotted Acs. 70.00 of land on outright sale basis at a cost of Rs. 1,25,000/- per acre. The petitioner accepted the said allotment vide its letter dated 06.03.1995 and requested for allotment of 30 meter wide strip of land for railway siding for infrastructure purpose. The total cost of the land including development charges amounting to Rs. 2,14,90,000/- was directed to be paid within one month from the date of allotment order. Accordingly, the petitioner paid an amount of Rs. 2,12,40,000/- after adjusting the EMD of Rs. 2,50,000/- by way of demand draft under covering letter dated 21.03.1995. The first respondent, by letter dated 15.03.1996, informed the petitioner that it fixed the land cost and development charges at Rs. 4,00,000/- per acre for the land of Acs. 2.53 cents allotted for railway siding and the same was also paid.

4. Thereafter, lot of correspondence exchanged between the petitioner and the first respondent with regard to the extent of land, the price adjustment, change of name of the company etc., and the substance of entire correspondence is not relevant for the purpose of present case. There was correspondence with regard to the payment of stamp duty from 1996 to 1998 and the first respondent directed the petitioner to file an agreement with stamp duty and also documentary proof to show its intention to take up the project vide its letter dated 22.08.1998. The petitioner replied on 02.09.1998 expressing its keenness to go ahead with the project and requested the first respondent to intimate the convenient date for registration and for taking physical possession of the land. The petitioner also obtained a demand draft on 03.12.1998 for Rs. 9,92,000/- drawn in favour of Assistant Inspector of General of Stamps and approached the Zonal Manager, Kakinada for completing the formalities. Then the petitioner for the first time came to know that one of the land owners filed W.P. No. 15111 of 1990 in respect of Acs. 1.08 cents of land which is in the middle of the land allotted to it and also touching the railway line corridor. In those circumstances, the petitioner expressed its unwillingness to take up the registration until the dispute is settled. The first respondent vide its letter dated 22.05.1999 stated that it has decided to execute the agreement for Acs. 71.06 cents only, deleting the disputed land of Acs. 1.08 cents and directed the petitioner to furnish agreement for the reduced extent. The petitioner gave a reply on 26.05.1999 stating that it already obtained a demand draft for Rs. 9,92,000/- towards stamp duty and stated that since the disputed land falls in between the land and the railway siding, it was essential for the project and requested the first respondent to settle the dispute and execute agreement for the entire land allotted.

5. The third respondent vide letter dated 12.05.2003 informed the petitioner about the dismissal of writ petition and requested it to file an agreement and

take possession of the land within 15 days, failing which action will be initiated for cancellation of allotment. The petitioner gave a reply on 23.05.2003 stating that the time of 15 days was not sufficient as the Kakinada Cement Grinding factory is a split unit of 2 million ton cement plant proposed at Nadikudi and it was decided to implement both the factories by a subsidiary company called Ambuja Cement India Limited which was promoted by the petitioner wherein the foreign companies are having shares and therefore requested for transfer of allotment. The petitioner met the Executive Director of the second respondent and the minutes of discussions were sent vide letter dated 30.06.2003.

6. While so, the petitioner received a letter dated 31.12.2004 from the second respondent informing that it was decided to cancel the allotment and refund the amount to the petitioner and directed the petitioner to approach the third respondent to get the refund of the amount. Subsequently, the third respondent issued another letter dated 06.01.2005 stating that EMD amount was forfeited under clause 10 of the allotment letter, the allotment was cancelled and the amounts paid by the petitioner would be returned as per rules. Since the said communications were arbitrary, the matter was brought to the notice of the Principal Secretary (Industries and Commerce), Government of Andhra Pradesh by way of a representation dated 13.01.2005. Thereafter, the petitioner was directed to submit revised project implementation schedule and the petitioner submitted a letter dated 27.01.2005 intimating the revised schedule. The third respondent issued a letter dated 16.05.2005 informing the petitioner that the request for registration of the land was considered and it was also agreed to transfer ownership in favour of new company called Ambuja Cement India Limited from the petitioner on certain conditions.

7. The petitioner gave a reply on 20.05.2005 in principle agreeing for the conditions, but requested for allotment of entire land of Acs. 72.14 cents with a request for copy of the orders of the Court enhancing the compensation payable to the land by Rs. 4,00,000/- per acre, to which the first respondent replied that it is not possible to restore the entire land of Acs. 72.14 cents and the dispute with regard to Acs. 1.08 cents is not decided. The petitioner replied on 12.07.2005 expressing its willingness to take possession of Acs. 71.06 cents and the remaining land of Acs. 1.08 cents as and when the case is settled. Thereafter, some correspondence ensued between the parties. The petitioner also met the first respondent on 10.03.2006 and discussed the subject with regard to pending issues, but the petitioner was surprised to receive a letter from the third respondent dated 21.03.2006 stating that the order of restoration issued earlier were withdrawn and the orders of cancellation dated 06.01.2005 holds good.

8. The petitioner filed a revision petition on 04.04.2006 under Regulation No. 21 of Andhra Pradesh Industrial Infrastructure Corporation Allotment Regulations, 1988 before the first respondent challenging the orders dated 31.12.2004 of the second respondent and the consequential orders of the third respondent dated 06.01.2005. The said revision was rejected by order dated 10.05.2006 of the

first respondent with a copy marked to the third respondent. Challenging the orders dated 31.12.2004 of the second respondent and the consequential order dated 06.01.2005 of the third respondent, the present writ petition was filed.

9. This Court, while admitting the writ petition on 31.05.2006, directed the respondents not to alienate or otherwise alter the nature of the land in question.

10. A counter-affidavit was filed on behalf of the respondents stating that the petitioner failed to take the possession of the land on one pretext or other and dodged the matter and prevented the first respondent from re-allotting the same to another needy entrepreneur all these years. In fact, the allotment of the land stood cancelled, since the petitioner failed to execute the agreement and take possession of the land within one month from the date of receipt of the allotment order. The petitioner in its application undertook to commence construction of the factory buildings within six months from the date of taking possession of the land and complete the same in 24 months period. The petitioner assured that the industry would go in production by the end of 1996. The first respondent reposed confidence in the petitioner and believed the assurances made by it as true and bona fide and therefore agreed to allot the land in its favour vide letter dated 04.03.1995. Though the petitioner paid the amounts towards provisional cost of the land including developmental charges, it failed to execute the agreement and take possession of the land till the date of cancellation. The allotment orders dated 04.03.1995 remains cancelled due to failure of the petitioner in executing the agreement and taking possession of the land within one month as stipulated in clause 5(ii) of the General Conditions of allotment of plot/shed incorporated in the guidelines furnished to the petitioner along with the application. Though the first respondent reminded the petitioner with regard to execution of the agreement and taking possession of the land, there was no positive response from the petitioner.

11. The counter also states that the several letters were addressed to the petitioner culminating in issuance of a show cause notice dated 17.03.1997 asking for the reasons of the petitioner for not cancelling the allotment. The petitioner vide its letter dated 28.03.1997 informed the first respondent that it may be granted further time of six months to comply with the requirements stipulated in the notice dated 17.03.1997 of the first respondent. The first respondent examined the request and informed the petitioner vide its letter dated 26.05.1997 that the petitioner should implement the project by 27.06.1997. The petitioner sought time till 30.09.1997 to implement the project and by letter dated 24.06.1997 came out with a request to transfer the allotment of land in favour of one M/s. Kakinada Cements Limited which was registered on 17.07.1997 for implementing the project by 30.09.1997. The said request was also agreed by the first respondent and the allotment of land was transferred in favour of M/s. Kakinada Cements Limited vide letter dated 02.09.1997 of the first respondent subject to the condition that the project should be implemented by 30.09.1997. The petitioner once again promised and finally the first respondent

issued a letter on 17.10.1997 granting time of one year for implementation of the project, while informing the petitioner that possession of the land has to be taken over after execution of agreement. It was also followed by another letter dated 15.04.1998 asking the petitioner to execute the sale agreement within 15 days and take possession of the land failing which action would be taken for cancellation of the allotment of land. Another notice was also issued on 22.08.1998. It is alleged that the petitioner, in order to gain further time, requested vide letter dated 17.10.1998 for re-transfer of allotment in favour of the petitioner and the said request was also agreed by the first respondent vide its letter dated 23.11.1998 subject to the conditions stipulated therein including that agreement has to be executed and possession of the land should be taken before 20.12.1998. The petitioner failed in that respect also. A reminder was also issued on 17.02.1999 to execute the agreement within 7 days.

12. With regard to the land acquisition issue leading to the filing of W.P. No. 15111 of 1990, it was stated that the land of the petitioner therein was taken under Land Acquisition Act and an Award was also passed by the Land Acquisition Officer (LAO) much prior to the filing of the said writ petition, but as a matter of precaution, the first respondent vide its letter dated 22.05.1999 informed the petitioner company that agreement would be executed for the extent of Acs. 71.06 cents out of Acs. 72.14 cents, since the disputed land of Acs. 1.08 cents was covered by the court proceedings in the writ petition. The said writ petition was dismissed on 28.04.2003 on the ground that the possession of the land was already taken over under the LA Act on 28.08.1990 and an Award was already passed on 15.04.1991 much prior to the allotment of the land in favour of the petitioner on 04.03.1995. The fact of dismissal of that writ petition was informed to the petitioner vide letter dated 12.05.2003 with a request to execute the agreement for entire extent of land within 15 days failing which the allotment would be cancelled. The decision of the first respondent about cancellation of allotment of land was informed to the petitioner vide letter dated 31.12.2004. Then the petitioner again made a request for transfer of allotment in favour of M/s. Ambuja Cement India Limited vide its letter dated 23.05.2003 in order to gain time. In those circumstances only, the first respondent was compelled to cancel the allotment vide letter dated 06.01.2005 duly forfeiting EMD of Rs. 2.50 lakhs paid by the petitioner as per the conditions of allotment orders dated 04.03.1995.

13. The petitioner company vide its letter dated 27.01.2005 submitted a revised schedule of implementation of the project and sought restoration of allotment of the land in favour of M/s. Ambuja Cements India Limited in order to gain one more opportunity. The first respondent issued orders vide letter dated 16.05.2005 agreeing for restoration of the allotment, but the petitioner failed to comply with the conditions mentioned in the letter dated 16.05.2005. The first respondent once again reminded the petitioner vide its letter dated 20.05.2005 to comply with the conditions stipulated in the letter dated 16.05.2005 within 15 days failing which the offer of restoration automatically stood withdrawn. Since

the conditions of offer in letter dated 16.05.2005 were not complied, the earlier orders of cancellation dated 06.01.2005 remained in force. However, the petitioner by its letter dated 06.01.2006 requested the first respondent to retransfer the allotment of land from the petitioner in favour of M/s. Kakinada Cements Limited and undertook to comply with the conditions stipulated in the letter dated 16.05.2005. In view of the past conduct, the first respondent vide its letter dated 21.03.2006 rejected the request for retransfer of allotment in favour of M/s. Kakinada Cements Limited and confirmed the orders of cancellation dated 06.01.2005. The revision petition filed by the petitioner before the first respondent was rejected, as the impugned orders were passed pursuant to the decision taken by him only. Finally, it was stated that the petitioner obtained allotment of the large extent of scarce and valuable industrial land at subsidised rate by the first respondent assuring that it would set up the cement plant and failed to honour its commitment inspite of granting unbelievable indulgence by the first respondent and the petitioner company was interested in retaining the allotment of the land and does not require genuinely for industrial use, but for speculative purposes.

14. The learned Senior Counsel for petitioner submitted that subsequent to the correspondence in November and December, 2005, the petitioner met the first respondent on 10.03.2006 and discussed the subject and he responded positively. But, the petitioner was surprised to receive the letter dated 21.03.2006 restoring the earlier orders of cancellation dated 06.01.2005. The decision making process as evidenced by the nothings in the file is vitiated, as the first respondent has not applied his mind to the facts of the case properly. He also submitted that the order dated 21.03.2006 was issued by the third respondent who has no authority to issue the order. He further submitted that the subsequent letters dated 08.12.2005 and 06.01.2006 were not considered and the third respondent passed orders on 21.03.2006 unilaterally and hence the order passed by the third respondent was invalid.

15. On the other hand, the learned Advocate General contends that the cancellation orders were passed in accordance with the terms and conditions of letter of allotment. The petitioner has only an inchoate right since the land was allotted under a letter of allotment and the petitioner cannot get any relief even by way of specific performance before a competent civil court and invocation of jurisdiction under Article 226 is misconceived. He also contends that the land was allotted way back in 1995 and for nearly 10 years, the petitioner has neither taken possession of the land nor implemented the project. The past conduct of the petitioner would show that in stead of sufficient opportunity given to the petitioner, it did not execute the agreement for all these years and take possession of the land. The respondents are willing to refund the amount paid by the petitioner by duly forfeiting the EMD amount as per the terms and conditions of letter of allotment.

16. In view of the rival contentions, the only point that has to be decided is

whether the action taken by the respondent in cancelling the allotment is valid or not.

17. Admittedly, the respondent is a Government Company governed by provisions of Companies Act, 1956. Since majority of shares are held by Government and decision making is controlled to some extent by the Government, the respondent is a "State" within the meaning of Art. 12 of the Constitution of India. But its decisions cannot be elevated to the decisions of Government or to the decisions of statutory authorities/administrative authorities. Since the respondent is a State, its actions should be fair, reasonable and should not be arbitrary in the facts and circumstances of the case.

18. The petitioner was allotted land under letter dated 4-3-1995 and it reads as follows:

With reference to your application cited for allotment of land at IDA-VAKALAPUDI, KAKINADA. We are pleased to allot the land admeasuring 70.00 ACRES for setting up of CEMENT PLANT on out right sale basis, subject to the following terms and conditions, and such other terms and conditions that are stipulated in the agreement of sale. A rough sketch is enclosed.

1. The land admeasuring 70.00 ACRES is allotted at a tentative cost of Rs. 1,25,000.00 per acre. The total cost of the land works out to Rs. 87,50,000/- (Rupees Eighty Seven Lakhs and Fifty thousand only).

2. You should pay the development charges for the land in "as is where is basis" at a cost of Rs. 1,82,000.00 per acre (excluding cost of sewerage disposal scheme) which works out to Rs. 1,27,40,000/- (Rupees One Crore Twenty Seven Lakhs Forty thousands only).

3. You should pay 100% of the cost of the land and development cost which works out to Rs. 2,14,90,000.00 (Rupees Two Crores Fourteen Lakhs Ninety Thousands only) within one month from the date of receipt of these orders, less EMD of Rs. 2,50,000.00 already paid.

4. You should execute the sale agreement in the prescribed proforma with full stamp duty and should take physical possession of the land invariably within ONE MONTH from the date of receipt of the allotment order. All costs of stamp duties in connection with execution of sale agreement should be borne by you.

5. You should execute a separate agreement for the payment of development charges on a requisite stamp paper under Indian Stamp Act within one month from the date of receipt of the allotment letter.

6. The land cost is provisional and is subject to enhancement of compensation, if any, by the competent court under the land acquisition act.

7. Interest 19% per annum from the date of taking possession or from 61st day from the date of receipt of these orders, whichever is earlier and thereafter 21% per annum.

8. You should submit valid licences required for your implementation of the above project including completion of studies in respect of risk analysis HAZOP/HAZON, pollution control and its impact on environment and the clearance from the Chief Controller of Explosives, Nagpur and other certificates/documents, as the case may be along with the agreement of sale.

9. All payments shall be made in the Zonal Office, Kakinada/Head Office by way of Crossed Demand draft favouring "APIIC LTD." Payable at Kakinada/Hyderabad only.

10. If the payments stipulated in Clause (3) above are not made within one month of receipt of this letter, these orders will be treated as cancelled and EMD paid sands forfeited automatically.

11. The allotment is also subject to the other terms and conditions stipulated in the Annexure appended hereto.

12. The allotment is also subject to the other terms and conditions enclosed in Annexure hereto.

19. As per the above conditions, the development charges for the land in "as is where is basis" have to be paid. The sale agreement in the prescribed proforma should be executed and physical possession of land should be taken within one month from the date of receipt of allotment order. Now the allotment is cancelled for violating those conditions and also condition No. 10 of allotment.

20. Since there was no agreement of sale which was executed, the rights of the parties are based on the simple letter of allotment which can be called as an "offer" in the terms of Contract law and non-fulfillment of any of the terms would not result in a binding contract in the absence of which the petitioner cannot complain with regard to the withdrawal of offer. An offer can be withdrawn before it is accepted and hence the Writ Petition is liable to be dismissed on this ground. This would be the position under Civil Law and keeping this in view, the learned Advocate General contended that the petitioner cannot even file a suit for specific performance of contract in a competent Civil Court. He is correct in this respect.

21. In Speech and Software Technologies (India) Pvt. Ltd. Vs. Neos Interactive Ltd., , it was held by the Hon"ble Supreme Court that the letter of intent on a bare reading is nothing but an agreement to enter into another agreement and the same is not enforceable nor does it confer any right upon the parties.

22. In M/s. Lotus Constructions Vs. The Government of Andhra Pradesh and another, this Court considered an identical situation and held that a reading of the clauses would undoubtedly show that a letter of communication of acceptance itself is not enough unless the same is followed by an agreement and if no agreement is entered within the stipulated period, shall result in forfeiture of Earnest Money Deposit and the letter of acceptance issued to the tenderer shall be deemed to have been cancelled. Entering into an agreement, thus, is not mere formality; but, one of the necessary conditions for concluding the contract.

This Court relied upon a decision of the Hon''ble Court in Kollipara Sriramulu Vs. T. Aswathanarayana and Others, wherein the Hon''ble Supreme Court observed as follows:

It is well established that a mere reference to a future formal contract will not prevent a binding bargain between the parties. The fact that the parties refer to the preparation of an agreement by which the terms agreed upon are to be put in a more formal shape does not prevent the existence of a binding contract. There are, however, cases where the reference to a future contract is made in such terms as to show that the parties did not intend to be bound until a formal contract is signed. The question depends upon the intention of the parties and the special circumstances of each particular case.

23. Ultimately, this Court held that the Government Order proposing to entrust the project to the petitioner cannot be construed as concluded contract and it held as follows:

22. Be that as it may, the petitioner is virtually asking for the relief of specific performance of a contract and such relief cannot be granted by this Court in exercise of its jurisdiction under Article 226 of the Constitution of India. Rights if any accrued in favour of the petitioners are nebulous in nature and cannot form the basis of foundation for issuing a writ in the nature of Mandamus. If the petitioner is complaining breach of an agreement/Contract the Forum is elsewhere.

24. In Haryana State Industrial Development Corporation Ltd. Vs. Inderjeet Sawhney, , the case of a party who was initially offered an extent of one acre was modified by offering half acre of land in respect of which an agreement was entered and possession was delivered. When the party filed a writ petition seeking allotment of remaining half acre of land pursuant to the initial provisional allotment letter, it was held by the Hon''ble Supreme Court that the provisional letter of allotment did not confer any vested legal right on respondent to insist upon allotment of one acre of land. But, we are examining the issue in a Constitutional set up and the principles are different.

25. Now to view the validity of the orders of cancellation, revocation and withdrawal of the same later within the parameters of judicial review, it has to be seen whether the impugned orders are fair, reasonable and not arbitrary.

26. The petitioner company was allotted land an extent of Acs. 70.00 cents in Vakalapudi village near Kakinada by letter of allotment dated 04.03.1995. As per condition No. 4, the petitioner should execute the sale agreement in the prescribed proforma with full stamp duty and take physical possession of the land within one month from the date of receipt of the allotment order. The petitioner failed to execute the agreement within one month. Even after furnishing the format of sale agreement, development agreement and undertaking vide letter dated 22.07.1996, the petitioner did not execute the agreement nor took possession of the land. The respondents waited for nearly

six months and issued a show cause notice on 17.03.1997. Thereafter, the petitioner has been dodging the matter on one pretext or other and in fact the respondents agreed to the request of the petitioner for allotment of the land in favour of M/s. Kakinada Cements Limited subject to the condition that the project should be implemented by 30.09.1997. Another show cause notice was issued on 15.04.1998 followed by a notice dated 22.08.1998. The petitioner did not comply with the same and on the other hand, in order to gain further time, requested vide its letter dated 17.10.1998 to retransfer of land in favour of the petitioner. The respondents agreed vide their letter dated 23.11.1998 to the said request also with a condition that the agreement had to be executed and possession of the land to be taken before 20.12.1998. Another notice was issued by the respondents on 17.02.1999 indicating that action would be taken to cancel the allotment if possession of the land was taken. The petitioner again requested for transfer of land in favour of M/s. Ambuja Cements India Limited vide its letter dated 23.05.2003 and ultimately allotment was cancelled on 06.01.2005. These events clearly show that for the reasons best known to the petitioner, it did not execute the agreement and did not take possession of the land allotted even after paying the cost of the land.

27. The petitioner explains the delay in taking over the possession of the land by relying on W.P. No. 15111 of 1990 filed by one V. Ramakrishna challenging the land acquisition proceedings. By way of caution, the respondents informed the petitioner that the agreement would be executed for Acs. 71.06 cents out of Acs. 72.14 cents since the extent of Acs. 1.08 cents was covered by the Court proceedings and the possession of the land was taken on 28.08.1990 and an Award was passed on 15.04.1991, prior to the allotment of land in favour of the petitioner on 04.03.1995. In the show cause notice dated 12.05.2003, the fact of dismissal of the said writ petition was informed to the petitioner by the respondents and requested for execution of the agreement for the entire area and for taking possession of the land within 15 days. The petitioner requested for transfer of land in favour of M/s. Ambuja Cements India Limited in stead of complying with the condition of allotment.

28. The respondents issued an order of restoration on 16-5-2005 with certain terms and conditions. When they were not complied, the respondents issued a letter dated 23.06.2005 requesting the Petitioner to comply with all the terms and conditions indicated therein without fail by 10-07-2005 for considering the request for restoration of land in favour of the petitioner to the extent of Ac. 71.06 cents. The petitioner corresponded on 12-07-2005 and 16-09-2005 and when the same was not satisfactory, the respondents ultimately issued a letter on 25.11.2005 to the petitioner requesting it to fulfill the terms and conditions stipulated in the order of restoration dated 23.06.2005 (for 16-5-2005) within 15 days from the date of receipt of the said notice i.e., on or before 10.12.2005 and stating that failure of the same would result in withdrawal of offer of restoration as the possession of the land is with APIIC only. Just 4 days before the dates stipulated in the said letter, the petitioner addressed a letter on 6-12-2005

followed by a letter dated 06.01.2006. Thus the petitioner did not avail several opportunities given to it but engaged in correspondence and ultimately did not fulfill the condition No. 4 and 5 of letter of allotment resulting in withdrawal of orders of restoration on 21-3-2006.

29. The petitioner entered into unnecessary correspondence and dodged the issue on one pretext or other without complying the terms and conditions of letter of allotment. The respondents gave a long rope and waited for nearly 10 years and the orders of cancellation dated 06.01.2005 were restored on 16-5-2005 and ultimately they had to withdraw the orders of restoration on 21-3-2006. The land meant for industrialisation was held up in procrastination and litigation for more than a decade. In Chaman Lal Singhal Vs. Haryana Urban Development Authority and Others, the Hon''ble Supreme Court examined the nature of letter of allotment and held that since there was no agreement/contract between the parties due to non-compliance with the terms of letter of allotment, the issue with regard to violation of principles of natural justice would not arise.

30. The petitioner relied on a meeting with the first respondent on 10.03.2006 where it was stated to have been assured of positive action and it was surprised to receive the letter dated 21.03.2006 later informing that the earlier orders of restoration stood withdrawn. In support of this, it relied on the internal nothings in the office file of the respondents. Though a decision was initially taken by the first respondent on 10.03.2006 pursuant to the meeting with the representative of the petitioner to insist for implementation of the project and briefing the Chairman, after meeting the Chairman, a decision was taken on 17.03.2006 to withdraw the orders of restoration as the project was not implemented. Pursuant to the said decision of the first respondent, the impugned orders of withdrawal of restoration were issued on 21.03.2006. The nothings in the file does not indicate any positive response and in any event, the same do not create right in the petitioner unless they are communicated. In Greater Mohali Area Development Authority and Another Vs. Manju Jain and Others, it was held by the Hon''ble Supreme Court that an order which was passed but not communicated does not create any legal right in favour of a party. The Hon''ble Supreme Court relied upon some of its earlier decisions and held as follows:

22. The Constitution Benches of this Court in Bachhittar Singh Vs. The State of Punjab, and State of Punjab Vs. Amar Singh Harika, have held that an order does not become effective unless it is published and communicated to the person concerned. Before the communication, the order cannot be regarded as anything more than provisional in character. A similar view has been reiterated in Union of India and Others Vs. Dinanath Shantaram Karekar and Others, and State of West Bengal etc. Vs. M.R. Mondal and Another,

23. In Laxminarayan R. Bhattad and Others Vs. State of Maharashtra and Another, this court held that the order of the authority must be communicated for conferring an enforceable right and in case the order has been passed and not communicated, it does not create any legal right in favour of the party.

31. The petitioner did not allege mala fides. No other ground is urged by the petitioner. In view of the above facts, it cannot be termed that the action of the respondents in issuing the impugned orders dated 31.12.2004 of the second respondent and the consequential order dated 06.01.2005 of the third respondent as unfair, unreasonable or arbitrary. In view of non-compliance of the petitioners, the order dated 16-05-2005 and the order dated 21-03-2006 cannot be held illegal. The Writ Petition is dismissed with costs. Miscellaneous petitions pending, if any in this Writ Petition, shall stand closed.