courtkutchehry.com

Company : CourtKutchehry
Website : www.courtkutchehry.com
Printed For :
Date : 16/09/2026

(2008) 12 P&H CK 0024

In the Punjab And Haryana At Chandigarh

Gurdial Singh Ahluwalia APPELLANT

Vs

Haryana State Industrial Development Corporation and Others RESPONDENT

Date of Decision : 02-12-2008

Acts Referred:
Constitution of India, 1950 — Article 14, 226

Citation : (2009) 153 PLR 324

Hon'ble Judges : M.M. Kumar, J;Jora Singh, J

Bench : Division Bench

Final Decision : Allowed

Judgement

M.M. Kumar, J.—Through the instant petition filed under Article 226 of the Constitution the petitioner has prayed for quashing of order

dated 23.3.2006 passed by the respondent No. 1 and to cancel the Regular allotment letter of Industrial Plot No. 184, Sector 8 Manesar. It has

been further prayed that respondent No. 1 be directed to charge the same price for the alternative plot as was charged for the original plot. The

short issue raised in the instant petition is whether respondent No. 1 after having made allotment of an Industrial Plot in favour of the petitioner

could cancel the same on the ground that the said plot stood already allotted in favour of another and then allot an alternate plot to him by charging

current price instead of the price when the originally plot was allotted to him earlier.

2. Brief facts of the case are that on 13.12.2004 allotment of Industrial Plot No. 184, measuring 1800 Sq. Mtrs. Sector 8 IMT Manesar was

made in favour of the petitioner @ Rs. 2,500/- Sq. meter, tentative cost Rs. 45,00,000.00. A sum of Rs. 3,97,000/- being 10 per cent of the price of the plot was paid as an advance with the application. On 10.1.2005 the petitioner accepted the terms of regular letter of allotment and executed

an agreement alongwith pay order of Rs. 7,28,000.00 in favour of the respondent which balance amount to make it 25%. Thereafter, the petitioner

made several requests for possession of the plot but possession was not delivered to him. On 23.3.2006 when letters of possession were given to

others the petitioner was shocked to learn that allotment of plot made to him has been cancelled. The cancellation letter has never been

communicated to the petitioner. On 15.9.2006, the petitioner filed an appeal before the Commissioner Industries, Haryana. The appeal was

dismissed on 3.1.2007 on the ground that the decision had been taken by the Board of Directors who were superior to the Appellate Authority.

3. On 14.7.2007, the petitioner served a legal notice. On 18.9.2007 an offer was made to the petitioner for allotment of an alternate plot and was

asked to deposit 35% of the more than cost of plot No. 191, Sector 4 IMT Manesar @ Rs. 5,500/- per sq. meter which was double the rate of

earlier rate at which allotment was made. The amount deposited earlier was to be adjusted, without payment of any interest on that amount. On

12.12.2007 the petitioner submitted letter of acceptance under protest on the question of price. Vide letter dated 23.1.2008 the respondents

insisted that the terms of allotment be accepted without any condition. Under this severe coercion and threat the petitioner who had no other option

but to send the letter of acceptance on 31.1.2008. On 20.3.2008 a regular letter of allotment was issued by the respondents and the price charged

for the plot was at the rate of Rs. 5,500/- sq. meter. The petitioner has urged that the action of the respondents in so far as fixation of price is

concerned is absolutely illegal and against the law laid. The petitioner has submitted that the respondents could not charge any rate higher than the

one on which they had earlier allotted the plot. In support of his submission, learned Counsel has placed reliance on a judgment of Hon''ble the

Supreme Court in the case of Industrial Assistance Group Government of Haryana and Another Vs. Shri Ashutosh Ahluwalia and Another, .

4. In the reply filed, the facts stated in the petition have not been disputed. However, in para 3 of the reply, it is submitted that it was detected that

the said plot already stand allotted earlier to somebody else and it was a case of double allotment. It is also averred in the reply that apart from the

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/gurdial-singh-ahluwalia-appellant-...

petitioner, there were number of allottees from time to time whose plots already stood allotted to someone else. The Managing Director also

explained to the Board of Directors that the allotments during the period 18.11.2004 to 2.12.2004 was made after interviewing large number of

applicants and the process of allotment was required to be completed in a specific time frame. Double allotment of few plots has been caused

merely on account of change in zoning/plot numbers. It is thus found to be a bona fide error and no officer/official was to be held responsible for

the lapse. Therefore, with a view to undo the unintentional wrong having been committed, the matter was placed before the Board of Directors in

its meeting held on 13.2.2007 wherein it was decided to offer alternate plot available in any of the Industrial Estate on certain conditions.

(Annexure R-l).

5. Having heard learned Counsel for the parties and perusing the record with their able assistance we are of the view that this petition deserves to

be allowed. It is conceded position that the petitioner was allotted Plot No. 184, Sector 8 Manesar on 13.12.2004 @ Rs. 2,500/- per sq. meter

at a tentative price of Rs. 45 lacs. The petitioner had deposited 10 per cent of the price of the plot alongwith the application and balance 15 per

cent amount was deposited by him on 10.1.2005 making the total deposit as per requirement to be 25%. However, the petitioner was not offered

possession of the plot whereas other allottees were issued letter of possession on 23.3.2006. For some curious reasons the allotment of the plot to

the petitioner was cancelled on 28.1.2006 by the Managing Director without even communicating the order of cancellation to him. The principles

of natural justice require issuance of notice to show cause, filing of reply and affording of opportunity of hearing which were completely shelved by

the respondents. When the petitioner filed an appeal before the Commissioner Industries it was summarily dismissed on 3.1.2007 by stating that

the Board of Directors had cancelled the allotment in its meeting held on 28.1.2006 which is an authority superior to the appellate authority. The

decision dated 28.1.2006 taken by the Board of Directors canceling the allotment of plot to the petitioner is not legally sustainable. However, the

petitioner sent a legal notice on 14.7.2007 and on 18.9.2007 he was given an of offer of alternative plot subject to the payment of current price for

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/gurdial-singh-ahluwalia-appellant-…

the year 2007-08 which was stated to be Rs. 5,500/- per square meter. The petitioner made the payment under compulsion although initially

protested vide letter dated 12.12.2007. It is well settled that once a plot has been allotted by accepting the money of 25% then in the event of any

mistake on the part of the respondents the petitioner cannot be made to suffer. In the case of Ashutosh Ahluwalia (supra) the allotment of plot was

made to a category of persons on a fixed price. However, subsequently there was change in policy to make allotment by an open auction. The

Monopolies and Restrictive Trade Practices Commission refused to accept that the policy directions issued on 15.7.1996 by the State of Haryana

would apply to the allotment of plot made and concluded in February, 1996 by making the payment of earnest money. The Commission inter-alia

had issued the following directions;

It is also directed that the applicant/complainant be given a plot measuring not less than 500 Sq. mts. In Udyog Vihar Phase VI for his project @

Rs. 750/- per sq. mts. We also direct that the respondents compensate the complainant by paying interest @ 18% per annum on the amount of

earnest money in excess of 10% of the value of the plot 500 Sq.mts. The value of the plot shall be calculated @ Rs. 750/- per sq. mts. which was

the prevailing rate at the relevant time.

6. Hon''ble the Supreme Court upheld the afore-mentioned directions and dismissed the appeal filed by the Industrial Assistance Group

Government of Haryana. In the present case also, the petitioner is being subjected to harsh treatment despite the fact that he is not at fault. The

entire fault is of the respondent-authorities as they have subsequently changed the zoning/plot numbers as is evident from the following three lines of

the decision dated 13.2.2007 taken by the Board of Directors:

...The double allotment of a few plots has been caused mainly because of change in zoning/plot numbers and thus it was a bonafide error and no

officer/official can be held responsible for the aforesaid lapse. The Board noted the above.

7. On the one hand the petitioner has suffered because of the delay as there is steep rise in prices of construction material and on the other hand he

has been subjected to more than double the price of the plot. The decision of the respondents to cancel the plot itself was arbitrary and violative of

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/gurdial-singh-ahluwalia-appellant-...

Article 14 of the Constitution as the basic principles of natural justice have not been followed. The allotment of alternative plot in any case was the

minimum which the respondents could have done for the petitioner but not at the higher price. The price has to be the same as it was at the time of

original allotment on 13.12.2004. Accordingly we find that the writ petition deserves to succeed.

8. In view of the above, the writ petition succeeds and the same is allowed.

9. A direction is issued to the respondents to charge the price of the industrial plot allotted to the petitioner at the rate of Rs. 2,500/- per square

meter i.e. at the rate when Plot No. 184, measuring 1800 sq. meter, Sector 8, IMT Manesar was allotted to him on 13.12.2004. The respondents

would also adjust the amount which was deposited by him 13.12.2004 and 10.1.2005. If the respondents find that some amount paid by the

petitioner is in excess then the same be refunded within two months from the date of receipt of a certified copy of this order.

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/gurdial-singh-ahluwalia-appellant-…