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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP-27854-2019

Reserved on: 07.03.2025

Date of Decision : 03.04.2025

M/S POWER GRID CORPORATION OF INDIA LTD.

...Petitioner

V/S

HARYANA SHEHRI VIKAS PRADHIKARAN AND OTHERS

...Respondents

**CORAM: HON'BLE MR. JUSTICE SURESHWAR THAKUR
HON'BLE MR. JUSTICE VIKAS SURI**

Present : Mr. Akshay Bhan, Senior Advocate assisted by
Mr. Aman Bansal, Advocate
for the petitioner.

Mr. Deepak Sabherwal, Advocate
for the respondent-HSVP.

SURESHWAR THAKUR, J.

1. Through the instant writ petition, the petitioner has prayed for the hereinafter reliefs:

I) Issuance of writ in the nature of certiorari for setting aside the impugned letter dated 30.05.2017 (Annexure P-43) whereby illegal demand of Rs.93.12 Cr has been raised by respondents vide letter 30.05.2017 towards enhancement, extension fees and service tax;

II) Issuance of a writ in nature of mandamus directing the respondents to grant No Dues Certificate to the petitioner



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corporation being zero liability as admittedly entire amount demanded by the respondents in compliance of order dated 27.01.2016 (Annexure P-37) passed by ACS (Government of Haryana) in pursuant to order dated 14.09.2015 (P-36) passed by this Hon'ble Court in CWP 17911 of 2015 has been deposited by the petitioner but due to malafide on the part of respondents the petitioner corporation which is a Central Government Undertaking is suffering without any fault and not able to take up the construction of the residential quarter for staff of petitioner Corporation.

III) Issuance of a writ in nature of mandamus directing the respondents to consider approval of building plan dated 20.12.2017 (P-46) for 5 years be counted from the date of final judgment/order or No dues Certificate provided by respondents whichever is later.

IV) Issuance of a writ in nature of mandamus directing the respondents to treat the period from 2011 till the disposal of this writ petition or No dues Certificate provided by HSVP whichever is later as zero period for the calculation of extension fees as the respondents failed to communicate the extension fees timely despite repeated requests from the petitioner corporation.

FACTS OF THE CASE

2. The brief facts of the case are that on 13.03.1996, the Chief Administrator, HUDA (now HSVP) issued a letter of intent for the allotment



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of 10,000 sq. meter of land to the petitioner in Sector 48, Faridabad. On 24.11.1998, the Estate Officer, HUDA Faridabad, informed the petitioner that a site measuring 10,000 sq. meter, has been approved now in Sector 21-D Faridabad, in lieu of the land earlier offered to the organization in Sector 48. On 04.01.1999, Assistant Town Planner, Estate Office, Faridabad issued a "possession certificate" to the petitioner.

3. While the aforesaid land was for the purposes of building staff-quarters in the form of group housing, but on 04.06.1997, the petitioner was also allotted 3,000 sq. meter of land in Sector 48, Faridabad for its office. On 18.11.1999, another chunk of 6 Bay site was allotted to the petitioner in Sector 16A, Faridabad, thus for the construction of office complex. On 21.01.2000, "possession certificate" became issued to the petitioner in respect of the land at Sector 16-A by Assistant Engineer, Estate Office. On 02.06.2009, the Chief Administrator allowed an extension of 2 years, to the petitioner for completing the project at Sector 21-D, relating to the construction of staff quarters in the form of Group Housing. It was further noted, that "extension fees for additional 2 years shall be charged at double the rate of extension fees applicable for the last year of extension (i.e. 10th year from the date of offer of possession)". The same stands deposited by the petitioner.

4. On 04.08.2005, the Estate Officer, HUDA Faridabad, issued a show cause notice under Section 17(3) of the Haryana Urban Development Authority Act, 1977 ("the Act of 1977") in relation to the allotment at Sector 16-A. On 23.08.2005, the petitioner responded to the above notice and pointed out, that it is a "government organization, thus shouldering the



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responsibility to transmit electricity all over the country. Moreover, it was also contended that they also have to follow certain rules/ procedures & are to seek approval from the competent authorities at various levels. In addition it was assured that the petitioner company is going to very shortly thus construct the office complex allotted to it at Sector 16-A". Accordingly, a request was made to extend the validity period of construction by 1 year.

5. On 12.11.2010, the petitioner wrote a letter of intent to M/s Narayan Bansal Mathur Associates for the "work of architectural and engineering consultancy, appertaining to the construction of its office at Sector 16-A. The HUDA vide letter dated 17.01.2011, thus became intimated wherebys an extension of further 2 years hence was sought. The same was reiterated on 28.04.2011 and an intimation was sought qua the amount payable by the petitioner to HUDA. On 29.08.2011, HUDA sent another show cause notice under Section 17(3) of the Act of 1977, to the petitioner for non-construction at Sector 16-A. On 16.09.2011, the petitioner replied to the above show-cause notice, and the delay in the commencement of construction at Sector 16-A was justifiably explained to HUDA, by stating that the work of architecture and engineering consultancy, is already at the stage for submission to HUDA for its approval.

6. On 14.11.2011, HUDA sent another show cause notice under Section 17(3) of the Act of 1977, to the petitioner in relation to non-construction at Sector 21-D. On 12.12.2011, the petitioner responded to the above notice, and prayed for the grant of extension of time, for construction of staff quarters in the form of Group Housing at the said land at Sector 21-D. Cogent reasons, which fall in the realm of the petitioner's responsibility



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towards national development (in the larger public interest) were advanced so as to explain the apposite delays.

7. Yet, on 09.01.2012, HUDA replied, whereby a personal hearing under Section 17 (4) of the Act of 1977 became granted to the petitioner on 10.02.2012. The petitioner informed the HUDA, that the construction of the township for its staff, could not be commenced in the light of the petitioner's requirements of efforts, time and money to be spent in the larger national/public interest as a government sector-undertaking. Despite the above, on 09.04.2012, the Estate Officer, HUDA, issued a resumption order on the same ground, that the petitioner had failed to make construction on the Group Housing plot, in the stipulated period that too, without giving any reasons as to why it found the petitioner's showing(s) of good cause, thus to be unsatisfactory.

8. Thereafter, the petitioner filed an appeal under Section 17 (5) of the Act of 1977 against the order (P-19) before the Chief Administrator, HUDA. On 01.10.2013, the Ld. Chief Administrator, HUDA decided the appeal through (Annexure P-21) in the petitioner's favour, noting that "the work of construction of Group Housing, has been delayed, on account of reasons beyond the control of the appellant and that the extended time as became lastly granted to the appellant rather was extremely minimal".

9. The resumption order passed by the Estate Officer, HUDA is contended to be arbitrary, illegal and without application of judicial mind". It is further contended that the "HUDA has now issued the policy on 12.04.2013, whereby all cases of resumption on account of non-construction are to be set aside and the allottee has to pay extension fee. As such, the only



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issue which is to be determined does not appertain to the resumption of the subject site, but relates to the quantum of the levying of the non construction charges or the levying of extension fees.

10. On 27.11.2013, the petitioner represented to HUDA that "the requisite fee for extension may please be intimated, so that, the same can be deposited immediately in relation to the land for office at Sector 16-A. This was reiterated in relation to the land for Group Housing at Sector 21-D, by the petitioner, on 16.12.2013. Even on 31.01.2014, the petitioner represented to HUDA, that an extension for a period of 3 years may please be considered for the land at Sector 16-A, so that, the petitioner can complete all the construction work, and that the requisite fee for extension be intimated to it.

11. On 10.02.2014, the petitioner sought NOC from the Estate Officer, to submit the drawings for the construction of Group Housing, at Sector 21-D. The same was reiterated on 27.03.2014, on 07.05.2014, and on 04.06.2014.

12. On 04.08.2014, the petitioner represented in relation to the site at Sector 16-A, that they have been seeking an extension since 17.01.2011 but without any avail. On 29.10.2014, a joint representation was made by the petitioner to HUDA in relation to the extension of time for construction in relation to both the sites at Sector 16-A (for office) and Sector 21-D (for Group Housing).

13. Finally, on 26.08.2014, the Chief Administrator, HUDA, sought information from the petitioner as to why the petitioner requires, the said lands at Faridabad, when its current office was at Delhi. On 03.09.2014, the



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petitioner responded to the above letter and placed on record the decision in the 222nd meeting of its Board held, on 16.06.2009.

14. On, 03.12.2014, the Chief Administrator HUDA informed the Administrator, HUDA Faridabad, that both the allotments (at Sectors 21-D and 16-A) can only be considered on a de-novo basis at the then current rates.

15. On 15.04.2015, a revision petition filed before the Additional Chief Secretary (ACS) under Sections 17(8) and 30 of the Act of 1977 was adjourned to 22.09.2015.

16. In the meantime, the petitioner approached this Court by way of CWP-17911-2015, and vide an order dated 14.09.2015, this Court noted, that the order of the Appellate Authority (Ld. ACS) had attained finality, as the respondents (i.e. HUDA) rather had not challenged the same. This Court noted that the only issue involved was "the amount to be paid by the petitioner for the allotment of the said land". While disposing that petition, it directed that the "respondents shall inform the petitioner about the amount payable towards the extension fee on the basis of the order dated 20.11.2013".

17. On 01.03.2016, the ACS supplied a copy of the order dated 27.01.2016, unfolding that "Estate Officer, HUDA Faridabad, has not sanctioned the building plan till date. It was directed that the Estate Officer, HUDA Faridabad, had to "communicate the entire outstanding dues to the petitioner as per decision taken by the Authority, latest by 15.03.2016" which shall be cleared by the petitioner by 31.03.2016". Subsequently, on 02.03.2015, the Treasurer, HUDA Faridabad informed, the petitioner that a



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sum of Rs.3,52,81,555/- and Rs.56,68,995/- as extension fee was due. On 28.03.2016, the petitioner paid Rs.4,09,50,550/- to the Estate Officer, HUDA Faridabad in compliance of Annexure P-38.

18. On 29.12.2016, the petitioner awarded the work of construction of residential complex to M/s VRC Shivalik Buildtech-JV. The petitioner also represented to the Estate Officer, HUDA Faridabad, on 25.04.2017, that the drawings had not been approved, despite the fact that the petitioner had complied with the orders of this Court, and of the Ld. ACS. On 15.05.2017, whereupon the petitioner again represented to the Estate Officer, HUDA Faridabad, that the drawings had not been approved, despite the petitioner complying with the orders of this Court.

19. Despite all above, on 30.05.2017, the Treasurer HUDA Faridabad, informed the petitioner that now (enhancement up to 27.07.2017), an extension fee of Rs.81,28,00,000/- was to be charged along with Rs.20,78,231/- plus service tax on extension fee Rs.11,63,52,000/-. This comes to a total of Rs.93,12,30,231/-.

20. On 02.06.2017, the petitioner represented to the HUDA, that the demand of Rs.93,12,30,231/- raised by it, was exaggerated and therefore unjustified and unacceptable. It was also conveyed that the petitioner would not be responsible for the accumulation of any extension fee, during the period of six years from 2011, thus covering the delays commencing since the year 2011, as the said delay has been caused by the HUDA itself.

21. Against the order dated 30.05.2017, the petitioner moved this Court by way of CWP-20705 of 2017 and vide order dated 04.07.2018, this Court was pleased to constitute a multi-member committee, which was to



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decide the petitioner's grievance after duly hearing it. On 20.12.2017, the Estate Officer HUDA informed the petitioner that permission was now granted for the erection of Group Housing in Sector 21-D.

22. On 11.08.2018, the petitioner represented its submissions to the multi-member committee constituted. On 26.11.2018, the Accounts Officer of HSVP, conveyed that the total liability of the petitioner stood at Rs.5,70,83,298/- only. On 05.01.2019, the petitioner represented to the Chief Controller of Finance, HSVP, that the calculation of the extension fee by HSVP was wrong.

23. On 18.01.2019, the petitioner represented to the Chief Administrator, HSVP that its representations be decided on an early date by the multi-member committee.

24. The instant writ petition (CWP 27854 of 2019) became filed by the petitioner on 20.09.2019.

25. For deciding the instant controversy it is required to extract the order passed by this Court, on 14.09.2015 upon CWP-17911-2015, and the relevant portion whereof becomes extracted hereafter as such.

“...

9. The writ petition is, therefore, disposed of by the following order:-

(i) The respondents shall inform the petitioner the amount payable towards the extension fee on the basis of the order dated 20.11.2013, passed by the Appellate Authority together with interest thereon, if any.

(ii) The petitioner shall within two weeks of being so informed, pay the amount to respondent no.1 subject to their right to challenge to the same. However, in the first instance the



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amount shall be paid and the challenge if any shall only be to recover the amount. The payment may therefore be made under protest.

(iii) The petitioner shall file an undertaking to pay the balance amount that may finally be found due by the Appellate Authority subject to the challenge thereto, if any. It is clarified that this interim order is passed only in view of the petitioner's undertaking that it will retain the plot and pay the amount as finally assessed irrespective of any market fluctuation.

(iv) The respondents shall process the petitioner's application for construction forthwith subject to the petitioner meeting all other requirements and conditions.

(v) Needless to add that the appeal of the petitioner will be decided without any delay in view of the observations made in this petition.

Disposed of.”

26. Moreover, it is also necessary to extract the communication dated 2.03.2016 made by HUDA in favour of the petitioner (Annexure P-38) whereby a sum of Rs. 4,09,50,550/- was levied, upon the present petitioner vis-a-vis the non construction fee, relevant portion whereof also becomes extracted hereinafter.

“It is informed to you in regard to the above said subject that audit had been made by the accounts branch as per the letter No.CTP/FD/MS/16/1412 dated 26.02.016 of Chief Administrator, HUDA and Rs.3,52,81,555/- Enhancement for plot and Rs.56,68,995/- as extension fees is due.”

27. For resolving the said issue it is relevant to extract the relevant portion of the well reasoned order dated 27.01.2016 (Annexure P-37) passed by the Addl. Chief Secretary to Govt. of Haryana, Town & Country Planning & Urban Estates Departments.



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“The Chief Administrator, HUDA, Panchkula vide memo dated 31.12.2015 directed the Estate Officer, HUDA, Faridabad to implement the directions issued by the Hon'ble High Court. Ld. Counsel for the petitioner submitted that despite the directions by the Chief Administrator, HUDA, the Estate Officer, HUDA, Faridabad has not sanctioned building plan till date. Ld. Counsel prayed that the Estate Officer, HUDA, Faridabad may be directed to sanction building plan and to permit construction. He submitted that the petitioner is ready to deposit the entire outstanding amount as per the decision taken by the Authority. In view of the ibid statement made by the Ld. Counsel for the petitioner, the present Revision Petition is disposed off with the direction to the Estate Officer, HUDA, Faridabad to communicate the entire outstanding dues to the petitioner as per decision taken by the Authority, latest by 15.03.2016 which shall be cleared by the petitioner by 31.03.2016. On payment of 25% of the total outstanding amount, the construction shall be permitted by the Estate Officer, HUDA, Faridabad.”

28. In compliance of the said order the petitioner deposited a sum of Rs.4,09,50,550/- with the Estate Officer, HUDA, Faridabad. Consequently, on 29.12.2016 the petitioner proceeded to award the work of construction of residential complex to M/s VRC Shivalik Buildtech-JV. Since the drawings had not been approved till then, despite the petitioner complying with the orders (supra). Resultantly the Treasurer HUDA Faridabad informed the petitioner that now (upto 27.07.2017), an extension fee of Rs.81,28,00,000/- was to be charged along with Rs.20,78,231/- plus service tax on extension fee Rs.11,63,52,000/-, and the total amount, thus coming to Rs.93,12,30,231/-.



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29. Now, since in compliance of the order dated 27.01.2016, the petitioner has already deposited the amount towards extension fee, thereupon the same could not be enhanced in the purported exercise of power of review thereof, especially when no power of review thereof becomes conferred upon the Reviewing Authority, thus under the Act of 1977.

30. Furthermore, since qua the period ranging from the year 2011 upto the year 2016, especially when in compliance of Annexure P-37 dated 28.03.2016, the requisite enhancement of non construction fees besides extension fee has been deposited, thereupons the (supra) period, but only comprises the apt zero period thus for all the requisite purposes. Moreover, since during the said period no approval thus for no fault on the part of the present petitioner rather became granted by the competent authority concerned, rather when there being wants of performance of duties on the part of the respondent concerned. Resultantly therebys besides when reading(s) of Annexure P-37 reveal, that the HUDA, Faridabad, has not till date sanctioned the buildings plan of the present petitioner, whereas, the sanctioning of the said plan was peremptory for construction being undertaken on the relevant sites. Therefore, the effect of all (supra) is that, the (supra) period reiteratedly was to be construed to be a zero period, besides when the controversy which emerged amongst the parties at lis become settled through an irreviewable verdict (Annexure P-37). Therefore and moreover when the said passed verdict has been complied with, as such, the passing of the (supra) binding verdict and the makings of compliance theretos, rather completely estops the respondent-HUDA from making any



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review thereof, especially when no power of review vests in the respondent concerned.

31. In aftermath, there is merit in the instant writ petition, and, the same is allowed. The impugned letter dated 30.05.2017 (Annexure P-43) whereby a demand of Rs.93.12 crore has been raised by respondents towards enhancement, extension fees and service tax is hereby quashed and set aside. Further the respondents are directed to issue No Dues Certificate in favour of the petitioner.

(SURESHWAR THAKUR)
JUDGE

03.04.2025

(VIKAS SURI)
JUDGE

Ithlesh

Whether speaking/reasoned:-	Yes/No
Whether reportable:	Yes/No