

2025:PHHC:059055-DB



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH.**

Reserved on : 09.04.2025

Pronounced on : 06.05.2025

<i>Sr. No.</i>	<i>Case Number</i>	<i>Title of the case</i>
1.	CWP-2324-2025	<i>M/S SIEL INDUSTRIAL ESTATE LTD. VS. STATE OF PUNJAB AND OTHERS</i>
2.	CWP-2445-2025	<i>M/S BODAL CHEMICALS LIMITED VS STATE OF PUNJAB AND OTHERS</i>
3.	CWP-4572-2025	<i>M/S AJANTA CHEMICAL INDUSTRIES VS STATE OF PUNJAB AND OTHERS</i>
4.	CWP-4600-2025	<i>M/S SHHIVTEK PLASTICISER PRIVATE LTD Vs STATE OF PUNJAB AND OTHERS</i>
5.	CWP-4603-2025	<i>M/S FLOW TECH CHEMICALS PVT LTD Vs STATE OF PUNJAB AND OTHERS</i>
6.	CWP-4671-2025	<i>M/S SUPREME PLASTO CHEM Vs STATE OF PUNJAB AND OTHERS</i>
7.	CWP-4748-2025	<i>M/S SURYA AIR PRODUCTS PRIVATE LTD Vs STATE OF PUNJAB AND OTHERS</i>

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

Present: Mr. Chetan Mittal, Senior Advocate
Mr. Ashwani Chopra, Senior Advocate with
Mr. Tarun Seth, Advocate
Mr. Abhishek Arora, Advocate
Ms. Ananya Walia, Advocate
Mr. Kunal Mulwani, Advocate
Mr. Vidul Kapoor, Advocate
Mr. Udit Garg, Advocate
Ms. Shifali Goel, Advocate
Ms. Ridhima Khindria, Advocate
Ms. Sanchita Jain, Advocate
Mr. Ritvik Garg, Advocate
for the petitioner (in CWP-2324-2025).

Mr. Puneet Bali, Senior Advocate with
Mr. Deepak Jain, Advocate,
Mr. Gagandeep Singh, Advocate for the petitioner(s)
(in CWP-2445-2025).

2025:PHHC:059055-DB



Mr. R.S.Bains, Senior Advocate with
Mr. Sarabjot Singh Cheema, Advocate
Mr. Anmoldeep Singh, Advocate
Mr. Inderpal Singh Deol, Advocate
(for the land losers concerned).

Mr. Deepak Jain, Advocate
for the petitioner(s) (in CWPs No.4572, 4600, 4603, 4671
and 4748 of 2025).

Mr. Maninderjit Singh Bedi, Advocate General, Punjab
Ms. Anu Chatrath, Senior Additional Advocate General,
Punjab.
Mr. Maninder Singh, Sr. Deputy Advocate General, Punjab.
Mr. Shekhar Verma, Additional Advocate General, Punjab
Mr. Ratik Chatrath Kapur, Advocate
for respondent – GMADA/PUDA.

Mr. Jatinder Singh Gill, Advocate
for the respondents-PUDA in all the cases.

SURESHWAR THAKUR, J.

1. Since all the writ petition(s) involve common questions of facts and law, besides when a common order dated 03.01.2025 becomes impugned in all the writ petition(s), therefore, they all are amenable to be decided through a common verdict.

2. The relevant portions of the order dated 03.01.2025 become extracted hereinafter. For emphasis the conspicuous contents thereof become underlined.

“xxxxx

8. *The detailed representation of M/s SIEL dated 27.11.2024 and contentions raised by authorized representatives of M/s SIEL during the course of personal hearing on 28.11.2024 have been considered in the light of facts on record. The issue to be decided by the undersigned is whether to terminate the MoU under the present circumstances or not?*

2025:PHHC:059055-DB



9. After consideration of the representation of M/s SIEL dated 27.11.2024 and contentions raised by M/s SIEL during the course of personal hearing on 28.11.2024, the contentions are rejected due to the following reasons:-

I. As per letter dated 12782-A of 24.09.2018 of the Land Acquisition Collector, Industries and Commerce Department, Punjab, clear and un-encumbered possession of land was handed over to M/s SIEL on 05.10.2011. The Department of Industries and Commerce vide its letter no. 4936-B dated 24.06.2014 had intimated M/s SIEL that Hon'ble Punjab and Haryana High Court had disposed off writ petition qua challenge to land acquisition vide its order dated 5th of October, 2011. Therefore the period of 10(ten) years for development of the industrial Estate begins from 5th of October 2011 and ends on 04 10.2021 for completion of project.

II. With regard to the trespassing of the land by 'Ujara Roko Sangharsh Committee' is concerned it was an issue of law and order and has nothing to do with the possession of the land, M/s SIEL was free to make a request to the District Administration or the Police Department for any help in regard. The representation of the M/s SIEL refers that the company has already lodged an FIR, therefore the company was well within its rights to take action as per law against the anti-social elements on the site, if any.

III. The activities of the agitating farmers and members of Ujara Roko Sangharsh Committee are the subject matter of dispute between two private parties and is irrelevant to the MoU entered into between the State Government and M/S SIEL. Similarly, the executions filed by the farmers for the payment of enhancement of compensation of acquired land and action of M/S SIEL'S regarding the same was also an inter-se issue between them, which bears, no relevance to the MoU entered into between the State Government and M/S SIEL. Moreover, the land owners were duly paid compensation by the LAC. Thereafter the company was free to take legal action against the agitating farmers, who disturbed their peaceful possession, if so.

IV. As far as vandalization of office of M/S SIEL is concerned it is clearly a matter of law and order and it should have been taken up by M/S SIEL with the District Administration. Moreover, this incident is reported to have occurred since 13.11.2021 whereas, 10 year

2025:PHHC:059055-DB



development period for this project started from 05.10.2011 onwards. Therefore, it cannot be taken as an excuse by M/S SIEL for non development of the project within the stipulated period i.e. 5.10.2011 onwards.

V. As far as various permissions required by M/s SIEL from various Competent Authorities for development of the project is concerned, M/S SIEL had never sought the help of the State Government in this regard. Now they are raising this issue after more than 14 years, which appears to be an excuse for non development of the project.

VI. As far as extension granted to M/S SIEL under the Mega Project Policy is concerned this policy only increased the implementation period of the Mega projects from existing three years to five years. It does not mean that an additional five years extension was to be given to a project already meant to be completed within ten years. The very object of the MoU has been defeated by the M/s SIEL by not fulfilling their contractual obligations.

VII. Lastly whether M/S SIEL had an experience to develop real estate or not, the said issue has no relevance at this stage, since MoU between Shriram Industrial Enterprises Ltd. (SIEL) and State of Punjab through Secretary, Industries Department for this project was executed on 14.10.1993 with consent of both the parties. However, M/S SIEL has failed to honour the contractual obligations under the MoU entered into with the State Government

10. As per office record, the State Government had also advanced various concessions to M/s SIEL for enhancing the standards of living of the local populace by providing avenues of gainful employment to them and further to create an industrial nucleus to attract further investment in the form of secondary and tertiary trade and commerce. Thereby, improving the livelihood of the local populace as well as to burnish the image of the State as an investment friendly State. However, M/s SIEL has failed to develop & implement this project on the site in the given 10 years period and even within extended period of 03 years, which has led to defeat of the very objective of this MoU.

Further, M/s SIEL has never obtained prior permission from the State Government regarding entering into a share purchase agreement between M/s Singla Builders & Promoters limited @ SBP Group with the

2025:PHHC:059055-DB



Mawana Sugar Limited (Parent Company) of SIEL on 11.10.2024, as this MOU was signed between the State Government & M/s SIEL with some concessions and acquisition was also made by the Government for the very purpose of establishment of this project by M/s SIEL.

The continuous failure of M/s SIEL to honour its commitments under the MoU despite being given an extension of 03 years in the completion of the project has forced the Government to invoke the condition no. II (3) of this MoU.

As such, under these facts & circumstances, the Memorandum of Understanding dated 14.10.1993 signed between the State Government and M/s SIEL is hereby terminated with immediate effect and further the site given to M/s SIEL for setting up an Industrial Estate, Captive Thermal Power Plant and Chemical Manufacturing Unit over 596.75625 acres of land in villages Sardargarh, Khadoli, Damanheri, Jakharan and Kheri Gandian, Tehsil Rajpura District Patiala, alongwith structures, is ordered to be resumed with immediate effect without payment of any compensation or any other dues etc. to M/s SIEL in this regard. Still further, concessions given to M/s SIEL for this project, are also ordered to be withdrawn and M/s SIEL would be liable to reimburse the same to the State Government & its entities. This order is issued with the approval of the Competent Authority.

3. Moreover, the brief facts of each of the writ petition(s) herein are required to be separately delineated.

4. In all the writ petition(s) except the lead writ petition i.e. **CWP-2324-2025**, the therein petitioner(s) are the alienees from M/s SIEL (petitioner in CWP-2324-2025). The supra alienees became conferred absolute right, title and interest over the relevant subject property, through registered deeds of conveyance becoming executed by their respective authorized representative(s), thus with the authorized representative(s) of M/s SIEL.

Facts of CWP-2445-2025.

2025:PHHC:059055-DB



5. The petitioner herein - M/s Bodal Chemicals Limited purchased a running chemical plant from M/s Mawana Sugars Ltd., by way of registered sale deeds/conveyance deeds (Annexures P-13 to P-15). The supra covered an area measuring 123.7 acres of land. Jamabandis of different villages (Annexures P-16 to P-18) depicts qua orders mutating the subject lands in the name of the petitioner, becoming attested by the Collector concerned. Annexure P-20 embodies a letter dated 01.12.2021 written by M/s SIEL Industrial Estate Ltd., to the Chief Town Planner PUDA, whereby, M/s Siel Industrial Estate Ltd., informed the concerned about the sale of 123.70 acres of land to M/s Bodal Chemicals. Annexures P-21 to P-23 depicts GST returns respectively for the period 2021-22, 2022-23 and 2023-24.

6. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

Facts of CWP-4572-2025.

7. The petitioner herein - M/s Ajanta Chemical Industries and its sister concerns, run by the same partners purchased the relevant plots in dispute from M/s SIEL, by way of registered sale deeds/conveyance deeds (Annexures P-7 to P-10), whereons, an industrial unit is operational. Annexures P-11 and P-12 depicts the permission(s) granted by the Pollution Control Board, Punjab. Annexure P-13 is the renewed latest factory license issued in the name of petitioner. Annexure P-14 is the certificate of exemption from sales tax issued by the General Manager, District Industries Centre, Patiala. Annexures P-16 to P-18 depicts the GST returns filed by the petitioner firm.

2025:PHHC:059055-DB



8. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

Facts of CWP-4600-2025.

9. The petitioner herein - M/s Shhivtek Plasticiser Private Ltd. and its sister firms purchased the plots in dispute from M/s SIEL by way of registered sale deeds/conveyance deeds (Annexures P-7 to P-10), whereons, an industrial unit is operational. The documents (Annexures P-7 to P-19) show the running status of the factory of the petitioner.

10. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

Facts of CWP-4603-2025.

11. The petitioner herein - M/s Flow Tech Chemicals Pvt. Ltd. and its sister concerns purchased the plots in dispute from M/s SIEL by way of sale deeds/conveyance deeds (Annexures P-7 to P-10), whereons, an industrial unit is operational. The documents (Annexures P-11 to P-15) show the running status of the factory of the petitioner.

12. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

Facts of CWP-4671-2025.

13. The petitioner herein - M/s Supreme Plasto Chem and its sister concerns purchased the plots in dispute from M/s SIEL by way of sale deeds/conveyance deeds (Annexures P-7 to P-10), whereons, an industrial unit is operational. The documents (Annexures P-7 to P-21) show the running status of the factory of the petitioner.

2025:PHHC:059055-DB



14. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

Facts of CWP-4748-2025.

15. The petitioner herein - M/s Surya Air Products Private Limited purchased the plots in dispute from M/s SIEL by way of sale deed/conveyance deed (Annexures P-7), whereons, an industrial unit is operational. The documents (Annexures P-7 to P-20) show the running status of the factory of the petitioner.

16. The petitioner herein becomes aggrieved from the passing of the resumption order dated 03.01.2025 (supra).

17. Moreover, for the sake of brevity, the facts of the lead writ petition i.e. CWP-2324-2025 are taken here for deciding the instant controversy.

Relief agitated in CWP-2324-2025.

18. Through the instant writ petition, the petitioner herein prays for the quashing of the impugned order dated 03.01.2025 (Annexure P-66), as passed by respondent No. 2 – PUDA, whereby, the memorandum of undertaking (MOU) dated 14.10.1993 (Annexure P-1), as entered into between the petitioner-Company and the State of Punjab, through the Secretary Industries, Government of Punjab, has been terminated with immediate effect, and, the ownership rights of the petitioner, over the entire project lands, rather has been ordered to be resumed by relying upon, Clause II (3) of the MOU dated 14.10.1993. The said resumption order is etched in the premise qua purported breach being made to the supra clause, as carried in the MoU dated 14.10.1993.

2025:PHHC:059055-DB



The said breach is grooved in the factum that since thereins a covenant becomes borne, whereby, the present petitioner though became obligated to complete the subject project, thus within the ordained period of ten years, whereas, within the supra period, rather the subject project remaining unexecuted over the project sites, thereby, but obviously the resumption order is required to be passed.

Factual Background.

19. The petitioner company-M/s Shriram Industrial Enterprises Limited entered into a Memorandum of Understanding (MOU) on 14.10.1993 with the Respondent No.4 for development of an Industrial Estate in Rajpura. The relevant contents of the said MOU become extracted hereinafter. For emphasis the conspicuous contents thereof become underlined.

For setting up of IE, Captive Thermal Power Plant and SIEL's Chemical Manufacturing Units and other industrial units to be set up in the IE, the Government of Punjab agrees to provide the following facilities :-

1. **Acquire, free from all encumbrances, approximately 1000 acres of land near Rajpura in District Patiala in the State of Punjab (more particularly shown in the site plan annexed hereto as Annexure-I) for setting up of an IE by SIEL. The land so acquired for SIEL would be notified as Approved Industrial Area by the State Government for setting up of large, medium and small scale industries.**

2. *The total cost of land, including enhanced compensation, to be acquired for the purpose of establishment of the project would be borne by SIEL and deposited with the LAC, Deptt. of Industries, before announcement of the award.*

3. *Help, in consultation with SIEL/owners of the IE, in proper rehabilitation of such persons/families whose dwelling units may have to be*

2025:PHHC:059055-DB



shifted for setting up this Project. The cost of such rehabilitation would be entirely borne by SIEL/the owners of the IE.

4. Assist SIEL in getting various clearances/permission and approval, specifically the following, from State or Central Government, as may be required for setting up of an IE :

- Railway siding at IE
- To develop the Chandigarh Airport as an International Airport/ensure domestic flight schedules to synchronise with international connected flights from Delhi Airport.
- To develop container services and provide for an international container depot to facilitate export of goods from IE / neighbouring areas.
- To provide Natural Gas through pipeline to the Thermal Power Plant on priority basis as and when made available to the State.

5. Help in getting loans/financial assistance from State Financial Corporation/Industrial Development Corporation to such Entrepreneurs who set up their industries in the IE, as per their extant policies.

6. Help in extending all fiscal incentives or tax benefits to the IE and the industries located in the IE in line with the extant Industrial Policy of the State.

7. Having regard to the quality and quantity of effluent, will help to provide an outlet for disposal of treated sewage, storm water and treated effluents from the IE.

8. Help in arranging adequate supply of raw water/cooling water from Bhakra main line canal for the Power Plant on non-consumptive basis, at the cost of SIEL.

9. Help SIEL in obtaining exemptions from the Electricity Duty or any such charge, if any, leviable on the generation of power by the IE's Power Plant for an initial period of 10 years from the date of commissioning of such power plant.

10. Help in getting adequate supply of power to all industries to be set up in the IE till the commissioning of the IE's Power Plant or 5 years from the commencement of commercial production of Chemical Manufacturing Facility of SIEL, whichever is earlier.

11. Help SIEL in obtaining power supply, of not less than 15 MW for a period of 5 years from the date of commencement of commercial production

2025:PHHC:059055-DB



by Chemical Manufacturing Facility of SIEL to be set up in the IE at a tariff as is applicable to such types of industries in the State.

12. Assist in providing an approach road to IE from Rajpura-Patiala bypass by widening and strengthening the existing village link road.

13. Assist in having declared the adjoining land around the IE (as indicated in the Site Plan-Annexure-II) as Controlled Area/Protected Zone to ensure that no unauthorised structures/dwelling units or any kind of activity, industrial or otherwise, starts in this Controlled/Protected Area without the permission of the State Government.

14. Municipal Committee, Rajpura, would realign the sewage carrying channel so as to avoid its passing through the site of the Project, the cost of laying underground pipe line for this purpose would be borne by SIEL.

15. Make security arrangements, as and when required, for the purpose of security of IE.

The concerned Departments/Agencies of Government of Punjab would enter into separate agreements with SIEL for operationalising the above arrangements.

II. For the setting up of the IE, SIEL agrees to the following:-

1. Get the pre-feasibility study made out for setting up the IE by 31st December, 1993. It is agreed between the parties that after the receipt of a viable feasibility report and proper financing arrangement being tied up by SIEL, this MOU would be translated into proper agreements to be executed between SIEL and various Departments/Agencies of the Government of Punjab.

2. Develop and market the IE to the industrial entrepreneurs who may wish to set up their industries in the said IE on such terms and conditions as may be congenial for the development of the said IE. The development and marketing of IE would be done either by SIEL itself or through a separate company (hereinafter referred to as New Company) to be promoted by SIEL. SIEL may offer equity in the New Company to others including State Government Undertaking and public at large.

3. Subject to Govt. clearances, complete the Project of setting up the Industrial Estate, Chemical Complex and Captive Thermal Plant within a maximum period of ten years from the date of clear and unencumbered possession of land. However, the State Government would be at liberty to

2025:PHHC:059055-DB



have a mid-review of the progress made on the establishment of the project after five years. If the project is not established in ten years, or on mid-review it is found that SIEL has taken no/negligible steps to implement the same, the State Government would be within their rights to resume the land alongwith structures thereon, without paying any compensation to SIEL.

4. Make one time offer of employment to one able bodied person of each such family whose dwelling unit has to be shifted during the course of acquisition of land by the State Government for the purpose of development of IE.

5. Develop and provide the infrastructural facilities like proper roads, lighting, warehousing, effluent treatment, disposal of sewage, landscaping, greenery etc. within the IE.

6. Provide facility for landing of helicopters etc.

7. Develop a commercial/business centre within the IE containing infrastructural facilities such as fax machine, telegraphic and telephone equipment etc., to cater to the needs of small business men. In addition to this, to make provision for banking, postal/market etc., with the assistance of the State Government and other institutions as may be necessary in this regard.

8. Make provision for utilities like water, steam, power, environment safety and pollution control facilities within the IE.

9. Manage and maintain the said IE and the infrastructural facilities in any of the following ways:-

- Through a private company.

- A Joint Venture Company with the State Government or any other Private Party.

- A Public Limited Company.

10. Provide telecommunication facilities within the IE as may be required. Such facilities may be set up in any of the following manners :-

- A Private Company;

- A Foreign Company on BOT basis;

- Any other suitable manner such as State Government participation etc.

11. Put up a Thermal Power Plant within five years of coming into commercial production of their Chemical Unit and to generate, distribute and

2025:PHHC:059055-DB



sell the power to various users in the IE and the surplus power to the PSEB at such tariff as may be mutually agreed from time to time.

Such Power Plant may be set up in either of the following ways :-

- A Private/Public Company:*
- A Foreign Company on BOT basis:*
- A Foreign Company on BOO basis;*
- Any other arrangement such as a Joint Venture with the State Government etc.*

12. Set up a Chemical Manufacturing Facility which will serve as a nucleus for attracting domestic and international businesses to the IE.

III. The IE together with the Power Project and the Chemical Facility to be set up would be owned and controlled by SIEL or its nominees or any new Company floated by SIEL for this purpose whether or not in a Joint Venture with the State Government.

IV. In case of any dispute arising between the parties out of or in connection with this MOU, Chief Secretary or his nominee will act as Arbitrator in accordance with the provisions of Arbitration Act, 1940 and his decision shall be binding on both the parties.

20. In pursuance to the aforesaid MOU, the respondent on 05.04.1994 issued notification under Section 4 of the Land Acquisition Act 1894 (hereinafter for short called as the Act of 1894) for acquisition of land, as required for the setting up of an Industrial Estate, by the Company. The said notification was followed by a declaration made under Section 6 of the Act of 1894, and, by the subsequent thereto made award.

Acquisition proceedings challenged by the land owners concerned and further sequence of events.

21. Feeling aggrieved from the aforesaid acquisition proceedings, the land losers concerned, filed **CWP No. 5715 of 1995**, titled as **Amrik Singh and Others Vs. State of Punjab and Others**, whereby, they challenged the launched acquisition proceedings. Vide

2025:PHHC:059055-DB



order dated 20.04.1995 (Annexure P-2), the aforesaid acquisition proceedings became stayed.

22. On account of objections raised by the land owners concerned, land measuring 398.1 acres and 31.1 acres became de-notified from acquisition vide notification dated 19.09.1997 and dated 19.02.1999.

23. That a special package of incentives was granted in favour of the company under the projects of special significance, thus for the development(s) of chemical complex in the industrial project land allotted to the company. Further, the company was issued a licence to develop a colony on 26.06.2000 (Annexure P-3). Moreover, registered deeds of conveyance of land measuring 298.46 acres and 241.256 acres, became executed between the petitioner-company, and, the Government of Punjab, thus respectively on 26.05.2000 and on 06.11.2007. The said registered deeds of conveyance become respectively comprised in Annexure P-4 and in Annexure P-12.

24. Further, the writ petition filed by the land losers concerned, became disposed of vide order dated 05.10.2011, thus, on an application being filed by the petitioners therein, rather on the ground that since 58.01 acres of land belonging to the petitioners, thus has already been de-notified from acquisition, whereupons, with the writ relief becoming mitigated. As such, the writ petition was accordingly disposed of. The relevant part of the order dated 05.10.2011 becomes extracted hereinafter.

“1. This is an application with a prayer for disposing of the writ petition. The basic reason for the aforesaid prayer is that order dated 16.08.2011

2025:PHHC:059055-DB



(R-4) has been passed denotifying the land belonging to the petitioner from the acquisition.

2. Notice of the application.
3. xxx
4. After hearing learned counsel for the parties, we are of the view that the application deserves to be accepted especially when Mr. Sehgal, learned Addl. A.G., Punjab has made the statement that order dated 16.08.2011 has been published in Hindi Daily 'Punjab Kesari' on 30.08.2011 and it has been sent to press for publication in the official gazette. The aforesaid statement has been made on the instructions received from Mr. Lokesh Verma, Senior Assistant, Department of Industries and Commerce and Collector, Land Acquisition Branch, Sector 17, Chandigarh.

5. As a consequence, the writ petition is disposed of in the above terms leaving it open to the petitioners to move appropriate application, if any such necessity arises.

Xxxx ”

Proceedings qua enhancement of compensation.

25. Various land owners filed petition(s) seeking enhancement of compensation thus respectively before the learned Reference Court, the High Court and ultimately before the Hon'ble Supreme Court. The Hon'ble Supreme Court on being seized with Civil Appeal No. 5837-5855 of 2017 and connected appeals, vide order dated 21.11.2017 (Annexure P-21), ordered for enhancement of compensation. It has been uncontestedly averred in the writ petition that the petitioner-company has paid the entire amount of enhanced compensation.

Permissions/clearances granted to the petitioner-company in respect of the acquired land.

26. The petitioner-company was granted permission for change of Land Use for Industrial Purpose vide letter dated 10.10.2017 (Annexure P-20) issued by the Department of Town and Country Planning, Punjab. Moreover, vide letter dated 10.12.2018 (Annexure P-28), the petitioner-Company was informed, that the layout plans for Mega Industrial Project at Rajpura, thus has been approved and the petitioner-Company, has to deposit charges via demand draft amounting to Rs. 67,93,832/-, amount whereof, was accordingly deposited by the

2025:PHHC:059055-DB



Petitioner-Company with the authority concerned. Further, vide letter dated 29.07.2020 (Annexure P-34), the petitioner-Company was granted environmental clearances for the said project.

Proceedings before the Civil Court.

27. The petitioner filed civil suit bearing No. 268 dated 22.12.2021 praying for rendition of a decree of permanent prohibitory injunction against the defendants-Ujada Roko Shangarsh Committee and others, rather from theirs interfering in the peaceful possession of the petitioner over the subject lands.

28. Vide order dated 21.04.2022 (Annexure P-50), the civil Court ordered to maintain *status quo* with regard to the existing position of the suit lands.

29. Feeling aggrieved from the order dated 21.04.2022, the petitioner company filed thereagainst the apposite first appeal. Vide order dated 09.11.2022 (Annexure P-51), the Appellate Court modified the status quo order, to the effect that defendants No. 3, 5 to 19 i.e. the land losers became restrained from interfering in the peaceful possession of the plaintiff in the suit property.

Present Proceedings

30. A notice dated 18.11.2024 (Annexure P-62) became issued by the PUDA calling upon the petitioner to appear for personal hearing on account of non compliance of condition No. II (3) of the MOU, as became signed between the parties. The said condition becomes re-extracted hereinafter.

3. Subject to Govt. clearances, complete the Project of setting up the Industrial Estate, Chemical Complex and Captive Thermal Plant

2025:PHHC:059055-DB



within a maximum period of ten years from the date of clear and unencumbered possession of land. However, the State Government would be at liberty to have a mid-review of the progress made on the establishment of the project after five years. If the project is not established in ten years, or on mid-review it is found that SIEL has taken no/negligible steps to implement the same, the State Government would be within their rights to resume the land alongwith structures thereon, without paying any compensation to SIEL.

31. A detailed reply dated 25.11.2024 (Annexure P-65) became filed by the petitioner to the aforesaid notice.

32. Thereafter, the impugned order dated 03.01.2025 (Annexure P-66) became passed by the Chief Administrator, PUDA, thus terminating the MOU signed between the petitioner-Company and accordingly the resumption order became passed, and, it was further ordered qua therebys also becoming withdrawn the concessions granted to the petitioner-Company.

33. Feeling dis-satisfied from the aforesaid order, the petitioner-Company has filed thereagainst the instant writ petition.

Submissions of the learned counsel for the petitioner and the reasons for accepting the same.

34. As per Clause 1 and 3 of the MOU, the Government of Punjab was to acquire land free from all encumbrances for setting up of an industrial estate by the petitioner. Moreover, since in terms of the hereinabove underlined clause 3 of the MoU, the industrial activity to be undertaken on the acquired lands, thus was to be undertaken, within a maximum period of ten years, from the date of clear and un-encumbered possession over the acquired lands, thus becoming assumed by the Petitioner-Company. In addition, therebys the State Government was at liberty to after five years, thus have a mid-review of the progress as made for the establishment of the apposite project. Moreover, if the

2025:PHHC:059055-DB



project was not established in ten years or on review it was found, that the petitioner Company has taken nil/negligible steps, to implement the same, thereupon, though the State Government was assigned the liberty to resume the subject lands alongwith existing structures, but yet without paying any compensation to SIEL.

35. However, it is contended that since it is detailed in the registered conveyance deeds (Annexures P-4 and P-12 in CWP-2324-2025) which became executed respectively on 26.05.2000, and, on 06.11.2007, that subject to the decision made in **Amrik Singh's case (supra)**, thereupons, the therein respectively embodied contractual covenants, thus would become effectively galvanized respectively upon the contracting parties. In sequel, when the said condition precedent for computing the apposite period of ten years, became satisfied, on the apposite *lis* becoming terminated on 05.10.2011, therebys though, *prima facie*, the period of ten years was assumingly to commence from 05.10.2011, and, though assumingly it expired on 05.10.2021, and, though a large part of the industrial zone, remains not subjected to industrial activity.

36. Nonetheless, it is contended that even if the said condition precedent became assumingly satisfied in the year 2011, yet the computation of period of ten years therefroms, but cannot lead to a situation, qua therebys, the said condition carried in clause II (3) of the MoU rather becoming intentionally breached nor therebys any resumption order could be passed. **Emphatically, there was necessity qua proof emerging qua intentional or willful breach made to the**

2025:PHHC:059055-DB



said condition. Moreover, conspicuously when for all the reasons made hereinafter there were but evident omissions on the part of the PUDA to ensure the imperative covenanted delivery of encumbrance free possession to the petitioner-Company concerned, as therebys alone the industrial activity could become undertaken over the subject lands. Therefore, therebys the resumption order is un-sustainable.

37. The said argument is erected on the premise, that since in the reply furnished to the writ petition by the respondent, it becomes unfolded, that permission for change of land user became granted on 10.10.2017, qua No objection Certificate by the Forest Department becoming granted on 13.11.2018, and, the Environment Clearance becoming granted on 29.07.2020. Resultantly, it is argued that since it becomes enjoined under Section 4 of the Act of 1894, wherethroughs the acquisition proceedings became launched, that in contemporaneity theretos, or in contemporaneity to the entering of a MoU in the year 1993, which became succeeded by the execution(s) of the conveyance deeds, thus respectively in the year 2000 and in the year 2007, rather the respondent concerned was required to be obtaining the forest clearances and also became enjoined to then ensure i.e. in the year 1993, qua the change of land user permission or the apposite conversion thus is also then made. However, since the said occurred only in the year 2018 and in the year 2020, wherebys, the land was then made suitable, for plots being carved, on the subject estates, thus for the industrial activities being undertaken over the subject lands, or qua permissible residential

2025:PHHC:059055-DB



industrial workmen colonies being established thereons. Therefore, the period of ten years is to be computed from the year 2018 or from the year 2020 and not from the year 2011, as such, the passing of the resumption order qua the subject lands, rather is premature.

38. The meaning and import of the echoings *“delivery of encumbrance free possession”* as becomes embodied in the terms and conditions of the MoU, is naturally that, therebys alone there was permissibility for industrial activity or any other construction activity becoming commenced over the disputed plots. Therefore, given the assigning of the said import to the term *“delivery of encumbrance free possession”* to the petitioner, thereupons ;

I) the fact of the admissions, as made in the impugned resumption order, as relate to trespassings being made over the subject lands by 'Ujaro Roka Sangharsh Committee' ;

II) As relate to the farmers agitations, besides as relate to the ill indulgences of vandalizations qua the Office of the petitioner-Company, thus brings forth an inference, that the author of the resumption order but acquiescing qua there existing valid deterrences against the takings over of encumbrance free delivery of possession by the petitioner vis-a-vis the subject lands. Resultantly therebys, the said well made deterrences, but cannot forestall the petitioner from asking for either extension of time or from asking for the other relevant permissions being granted. Therefore, when all the requisite permissions rather for all the construction activities becoming undertaken over the subject lands,

2025:PHHC:059055-DB



thus are/were required to be endowed to the petitioner. Moreover, when therebys the purpose of acquisition would become achieved. Therefore, the lack of the apposite permissions being granted, thus in contemporaneity, to the issuance of notification under Section 4 of the Act of 1894, but naturally has therebys resulted in non undertakings of the apposite construction activities over the subject lands.

III) It would also not out of place to further dilate upon the mentionings in clause (I) of the MoU dated 14.10.1993, clause whereof becomes extracted hereinabove and is re-extracted hereinafter, especially, when thereins occur speakings that *the subject lands acquired for SIEL would be notified as Approved Industrial Area by the State Government for setting up of large, medium and small scale industries.* Resultantly reiteratedly therebys, there was but an imperative obligation cast thereunders upon the acquiring authority, to rather in contemporaneity to the issuance of the apposite notification, thus also make all the apposite conversions, hence for facilitating the setting up of an operational industrial area on the subject lands wherebys, the purpose of acquisition would become achieved.

1. *Acquire, free from all encumbrances, approximately 1000 acres of land near Rajpura in District Patiala in the State of Punjab (more particularly shown in the site plan annexed hereto as Annexure-I) for setting up of an IE by SIEL. The land so acquired for SIEL would be notified as Approved Industrial Area by the State Government for setting up of large, medium and small scale industries.*

2025:PHHC:059055-DB



IV) Additionally also, since it is also relevant to dilate upon clause 4 as exists in the MoU dated 14.10.1993, clause whereof becomes re-extracted hereinafter, wherein echoings become borne, thus unfolding qua an obligation becoming cast upon the respondent /State Government to assist SIEL in getting various approvals as may be required.

4. Assist SIEL in getting various clearances/permission and approval, specifically the following, from State or Central Government, as may be required for setting up of an IE :.....

39. Though the said contractual obligation would become fastened upon the respondent concerned, only when the relevant motions were made at the instances of the SIEL, but in case there was any purported wants of initiation(s) of the relevant processes at the instance of the petitioner-Company, therebys, a bounden duty became cast upon the respondents to, in the said regard, thus issue notices upon the present petitioner too. Now, since assumingly though no relevant processes became initiated by the petitioner-Company, yet when also evidently no notices became served by the respondent upon the petitioner-Company, thus calling upon it to initiate the relevant processes.

40. The effect thereof, is that, the respondent concerned i.e. the PUDA, did also therebys fail to effectively assist the petitioner-Company in obtaining the requisite permissions/approvals, wherebys, it becomes forestalled to argue, that there was any intentional breach or any intentional negligence, rather on the part

2025:PHHC:059055-DB



of the petitioner-Company, thus to seek all the mandatory approvals/permissions from the Departments concerned, either under the control of the State Government or under the control of the Central Government. In the said regard, the said omissions also display but wanton negligence on the part of the PUDA, whereas, it was required to be issuing the said notices, as therebys alone, the public purpose qua which the subject lands became acquired would become effectively furthered. Tritely, there was but an entailed covenanted apposite reciprocity in the said regard, yet the said apposite reciprocity is abysmally wanting on the part of the PUDA.

41. Pertinently, the apposite change of land user permission and forest clearances, rather were respectively granted in the year 2017 and in the year 2020. Nonetheless, as stated supra, there was complete lethargy and indolence on the part of the respondent concerned, to awaken the petitioner, about the necessity of the relevant processes becoming initiated, so that, therebys the industrial activities become undertaken on the subject lands. As such, therebys the respondent rather for an elongated spell of time since the year 1993, failed in the said manner, thus to assist the petitioner-Company in getting the requisite permissions/clearances. In sequel, the wants of lendings of the covenanted assistance(s) in the said regard, at the instance of the PUDA, to the petitioner concerned, thus makes the supra contractual obligation cast upon the PUDA to become violated by it, wherebys, equity stands loaded against the PUDA.

2025:PHHC:059055-DB



42. Therefore, therefroms i.e. from the echoings as made in clause (1) of the MoU dated 14.10.1993, besides from the admissions as made at paragraphs No. 9 (II) (III) and (IV) of the impugned order (supra), paras whereof become re-extracted hereinafter.

Clause (1) of the MoU dated 14.10.1993

1. *Acquire, free from all encumbrances, approximately 1000 acres of land near Rajpura in District Patiala in the State of Punjab (more particularly shown in the site plan annexed hereto as Annexure-I) for setting up of an IE by SIEL. The land so acquired for SIEL would be notified as Approved Industrial Area by the State Government for setting up of large, medium and small scale industries.*

Paragraphs No. 9 (II) (III) and (IV) of the impugned order.

II. *With regard to the trespassing of the land by 'Ujara Roko Sangharsh Committee' is concerned it was an issue of law and order and has nothing to do with the possession of the land, M/s SIEL was free to make a request to the District Administration or the Police Department for any help in regard. The representation of the M/s SIEL refers that the company has already lodged an FIR, therefore the company was well within its rights to take action as per law against the anti-social elements on the site, if any.*

III. *The activities of the agitating farmers and members of Ujara Roko Sangharsh Committee are the subject matter of dispute between two private parties and is irrelevant to the MoU entered into between the State Government and M/S SIEL. Similarly, the executions filed by the farmers for the payment of enhancement of compensation of acquired land and action of M/S SIEL'S regarding the same was also an inter-se issue between them, which bears, no relevance to the MoU entered into between the State Government and M/S SIEL. Moreover, the land owners were duly paid compensation by the LAC. Thereafter the company was free to take legal action against the agitating farmers, who disturbed their peaceful possession, if so.*

IV. *As far as vandalization of office of M/S SIEL is concerned it is clearly a matter of law and order and it should have been taken up by M/S SIEL with the District Administration. Moreover, this incident is reported to have occurred since 13.11.2021 whereas, 10 year development period for this project started from 05.10.2011 onwards. Therefore, it cannot be taken as an excuse by M/S SIEL for non development of the project within the stipulated period i.e. 5.10.2011 onwards.*

43. Reiteratedly, thereupons, when rather only on delivery of encumbrance free possession of the disputed sites, thus being made to the petitioners, that, industrial activity/other construction could be undertaken thereovers. As such, the further effect of the said acquiescence(s), but are that, especially when there is failure of lendings of the covenanted assistance(s) by the administration, thus to the

2025:PHHC:059055-DB



petitioner, rather for thereby ensuring the removals of the supra hindrances created over the disputed plots, whereupon, the petitioner-Company became well forbidden, to undertake the requisite industrial activity over the subject lands. Emphatically, the evident creations of the said apposite well forbiddances against the petitioner-Company, but also cannot estop the petitioner-Company, to claim the grantings of the relevant extensions or other requisite permissions nor the said espoused extensions or other requisite permissions can be hereafter denied to the petitioner-Company.

44. Moreover, reiteratedly since the said remained evidently un-purveyed to the petitioner besides when thereby there is complete lack of apathy on the part of the administration, to redress the supra grievances of the petitioner-Company, especially when the said apathy, but is openly acquiesced by the respondent in the supra extracted paragraphs No. 9 (II), (III) and (IV) of the impugned order. Resultantly, the combined effect of lack of delivery of the apposite encumbrance free possession to the petitioner, besides of gross apathy on the part of the administration to ensure to adhere to the covenant relating to the ensurings of removal(s) of the relevant hindrances, but naturally, is that, there was a grave deterrence created against the raising of industrial activity, or other construction activity over the subject lands. In sequel, yet the ignorings of the said admissions by the author of the resumption order and yet his proceeding to pass the resumption order rather makes it to suffer from the vice of gross non application of mind.

2025:PHHC:059055-DB



45. It is though contended that since evidently registered deeds of conveyance became executed inter-se the concerned, whereby, there was a complete conferment of absolute right, title and interest vis-a-vis the petitioner concerned over the subject lands. **Resultantly the executions' of registered deed of conveyance qua the subject lands, necessarily therebys completely eclipses the effect, if any, of the supra covenants, as carried in the MoU and in the conveyance deed. Moreover, therebys becomes completely underwhelmed the effect, if any, of lack of any legal capacity in the alienor concerned, to alienate the subject lands, qua the alienee concerned.**

46. The alienor when had a completest prefect passable title over the subject lands, and, as such, when it did also hold the capacity to pass a valid title over the subject lands vis-a-vis the alienees concerned. Resultantly therebys too, the subject lands concerned were not required to be resumed, merely on account of any purported breaches being made to clause II (3) of the MoU, whereby, the relevant industrial activities were to be completed over the subject lands within a period of ten years and the said period being purportedly computable from the year 2011.

47. Moreover, since the petitioners also filed a civil suit, before the Court of the Additional Civil Judge (Senior Division) Rajpura, rather for rendition of a decree of permanent injunction, thus for restraining the defendants from interfering in the peaceful possession of the plaintiff over the subject lands. Since on the relevant application, a *status quo* order became passed by the Civil Court concerned. Nonetheless, the said order vide order dated 09.11.2022 (Annexure P-

2025:PHHC:059055-DB



51), rather became modified by the Appellate Court, whereby, defendants No. 3, 5 to 19 became restrained from interfering in the peaceful possession of the plaintiff over the suit property.

48. In consequence, an order dated 08.11.2023 became passed, whereby, the SHO/Supervising DSP was ordered to render police assistance to the plaintiff, thus, for ensuring the implementation of the order dated 09.11.2022, as became passed by the Appellate Court. Further, in the said regard, an FIR bearing No.93 dated 22.11.2024 became lodged, thus under the relevant provisions of the Bharatiya Nyaya Sanhita, 2023.

49. It appears that the petitioners were led to recourse civil Court remedies, only on account of gross apathy on the part of the administration to lend to it, the covenanted assistance(s), thus for making the subject lands free from all encumbrances. The said encumbrance(s) over the subject lands became evidently created by the farmers' agitation and also by the land losers concerned, whereby, the petitioner-Company became precluded from carrying out the development works on the subject lands. If the administration had lent the covenanted assistance(s) to the petitioner-Company, through deploying a sufficient posse of police personnel over the subject sites concerned, thereby, the petitioner-Company may not have been led to recourse the civil Court remedies. Moreover, the rendition of the order (supra) alone appears to have yielded some fruitful results. However, the same happened only in the year 2022, when the Appellate Court after

2025:PHHC:059055-DB



modifying the initially made *status quo* order by the Civil Court concerned, thus restrained defendants No. 3, 5 to 19, from interfering in the peaceful possession of the plaintiff over the subject lands. Conspicuously also therebys there were till then, but evident hindrances and obstacles created by the land losers or by the agitating farmers vis-a-vis the assumption of encumbrance free possession of the disputed lands by the petitioner. As such, the period commencing from the date of filing of civil suit and lasting upto the order supra becoming passed by the Appellate Court, but thus becomes required to be excluded from the apposite ordained period of ten years, if assumingly, the said period has some relevance.

50. Furthermore, it also appears that for ensuring the execution of the restraint order dated 09.11.2022 (Annexure P-51) (supra), the civil Court concerned, had made a direction upon the SHO/Supervising DSP, to render police assistance to the plaintiff. Therefore, it appears that only through the intervention of the civil Court, rather than with the requisite covenanted interference of the administration, which it became otherwise obliged to render it to the petitioner-Company, that the relevant hurdles and hindrances as became created, in the petitioner assuming encumbrance free possession of the disputed lands, thus became eased. As such, the lack of adherence by the respondent to the covenant, wherebys, it became obligated to render assistance(s) to the petitioner-Company, rather for evidently causing removals' of the hindrances and obstacles, thus for ensuring the '*delivery of*

2025:PHHC:059055-DB



encumbrance free possession', to the petitioner, but also estops the PUDA to contend that there was earlier thereto delivery of encumbrance free possession to the petitioner.

51. Moreover, therebys the PUDA is also estopped to contend, that there was any willful and deliberate lack of adherence to the apposite covenant, wherebys, the petitioner was required to undertake the relevant activities over the subject lands, even if assumingly the said computation, was required to be made from 2011, when the apposite *lis* titled as **Amrik Singh and Others Vs. State of Punjab and Others**, rather did terminate.

52. All supra are magnificatory of the factum that, despite the administration agreeing to provide all the relevant assistance(s), to the petitioner concerned, thus for ensuring that therebys encumbrance free delivery of possession of the subject plots rather becomes made to the petitioner, yet the said conditions becoming, *prima facie*, willfully and intentionally violated at the instance of the District Administration. In sequel, reiteratedly the said deterrences but cannot pave way yet, for the PUDA, to despite their evident apathy towards the well voiced grievances of the petitioner, rather claim that a resumption order, was required to be passed, on account of no industrial activity becoming undertaken over the subject lands, rather purportedly for a prolonged duration of time. The said ground appears to be a spuriously raised ground or is an invented ground, thus to somehow or the other erase the rights of the petitioner, as owner of the subject lands, rights whereof

2025:PHHC:059055-DB



became conferred upon it through the execution of registered deeds of conveyance.

53. Moreover, since it is forcefully submitted before this Court, that since the acquisition of the subject lands, was made in terms of the provisions embodied under Sections 4 and 6, as carried in the Land Acquisition Act, 1894 (hereinafter for short called as the 'Act of 1894') read with Section 41 of the 'Act of 1894', besides in terms of Rule 5 of the Land Acquisition (Companies) Rules, 1963, provisions whereof become extracted hereinafter.

41. Agreement with appropriate Government. - *If the appropriate Government is satisfied [after considering the report, if any, of the Collector under section 5A, sub-section (2), or on the report of the officer making an inquiry under section 40 that the proposed acquisition is for any of the purposes referred to in clause (a) or clause (aa) or clause (b) of sub-section (1) of section 40], it shall require the Company to enter into an agreement with the appropriate Government, providing to the satisfaction of the appropriate Government for the following matters, namely :*

(1) the payments to the appropriate Government of the cost of the acquisition;

(2) the transfer, on such payment, of the land to the Company.

(3) the terms on which the land shall be held by the Company,

(4) where the acquisition is for the purpose of erecting dwelling houses or the provision of amenities connected therewith, the time within which, the conditions on which and the manner in which the dwelling houses or amenities shall be erected or provided;

(4A) where the acquisition is for the construction of any building or work for a Company which is engaged or is taking steps for engaging itself in any industry or work which is for a public purpose, the time within which, and the conditions on which, the building or work shall be constructed or executed; and

(5) where the acquisition is for the construction of any other work, the time within which and the conditions on which the work shall be executed and

2025:PHHC:059055-DB



maintained and the terms on which the public shall be entitled to use the work.

(Rule 5 of the Land Acquisition (Companies) Rules, 1963).

5. Matters to be provided in the agreement under Section 41.-

(1) The terms of the agreement referred to in section 41 of the Act shall include the following matters, namely :

(i) that the company shall not, except with the previous sanction of the appropriate Government, use the land for any purpose other than that for which it is acquired ;

(ii) the time within which the dwelling houses or amenities directly connected therewith shall be erected or provided or the building or work shall be constructed or executed shall not exceed three years from the date of transfer of the land to company ;

(iii) that where the appropriate Government is satisfied after such enquiry as it may deem necessary that the company was prevented by reasons beyond its control from executing, providing, construction or executing dwelling houses or amenities or any building or work within the time specified in the agreement, the appropriate Government may extend the time of that purpose by a period not exceeding one year at a time so however that the total period of extension shall not exceed three years.

(iv) that if the company commits a breach of any of the conditions provided for in the agreement, the appropriate Government may make an order declaring the transfer of the land to the company as null and void whereupon the land shall revert back to the appropriate Government and directing that an amount not exceeding one-fourth of the amount paid by the company to the appropriate Government as the cost of acquisition under clause (1) of Section 41 of the Act shall be forfeited to the appropriate government as damages and the balance shall be refunded to the company, and the order so made shall be final and binding.

(v) that if the company utilises only a portion of the land for the purpose for which it was acquired and the appropriate Government is satisfied that the company can continue to utilise the portion of the land used by it even if the unutilised part thereof is resumed, the appropriate Government may make an order declaring the transfer of the land with respect of the unutilised portion thereof as null and void whereupon such unutilised portion shall revert back to the appropriate Government and directing that an amount not exceeding one-fourth of such portion of the amount paid by the company as cost of acquisition under clause (1) of Section 41 of the Act as is relatable to the unutilised portion shall be forfeited to the appropriate Government as damages and that balance of that portion shall be refunded to the company and that order so made shall, subject to the provisions of clause (vi), be final and binding.

2025:PHHC:059055-DB



(vi) that where there is any dispute with regard to the amount relatable to the unutilised portion of the land, such dispute shall be referred to the court within whose jurisdiction the land or any part thereof is situated and the decision of that court thereon shall be final.

(2) Where the company commits a breach of any of the terms of the agreement, the appropriate Government shall not make an order under clause (vi) or clause (v) of sub-rule (1), unless the company has been given opportunity of being heard in the matter.

(3) The appropriate Government shall consult the Committee before according any sanction under clause (i) of sub-rule (i) or extending the time under clause (iii) or making any order under clause (iv) or clause (v) of that sub-rule.

54. Resultantly therebys, it is contended that since pursuant to Section 41 of the Act of 1894 and also since pursuant to the hereinabove extracted Rule 5 of the Land Acquisition (Companies) Rules, 1963, an agreement/MoU (Annexure P-1), thus succeeded by conveyance deeds thus became respectively executed. **Though, the supra (MoU) (Annexure P-1) is drawn in terms of Sub Section 4A of Section 41 of the Act of 1894, for therebys the apposite industry(ies) being created over the subject lands, thereupon, it was also required that in terms thereof, a time limit becomes spelt for the undertakings of industrial activity(ies) over the subject lands. The said time limit though did become spelt in the MoU (supra). Though, *prima facie*, therebys the embodiments qua the supra condition, i.e. in the MoU, thus is in alignment with Sub Section 4A of Section 41 of the Act of 1894, and, though it is contended that the said covenant is breached.**

55. Conspicuously yet the said purported compliable covenant, as becomes erected in the supra MoU, and which is in alignment with Sub Section 4A of Section 41 of the Act of 1894, but also requires qua the same being read alongwith the preceding therewith Sub Sections (1), (2) and (3) of Section 41 of the Act of

2025:PHHC:059055-DB



1894. Therefore, upon making a combined reading of the provisions, as, embodied in Sub Section (1), (2), (3), (4) and (4A) of Section 41 of the Act of 1894, this Court is of the view, that since the entire component of the compensation amount, thus has been liquidated to the land losers by the petitioner-Company. Since subsequently the registered deeds of conveyance, thus also became executed by the respondent, through their authorized representative, rather with the authorized representative of the petitioner.

56. In sequel, when therebys there was conferment of complete right, title and interest in the petitioner-Company, over the subject lands, but with no iota of right, title and interest inhering in the land losers or in the acquiring authority. As such, when the purpose of the supra mandate is for ensuring the protection of the interests of the land losers concerned, inasmuch as, on the Act agreements', thus manifesting therein the supra statutory conditions and theirs becoming evidently breached, thereupons, the acquiring authority lawfully ensuring the release or return of the acquired lands to the land losers concerned or as the case may be utilizing the same for some other purpose.

57. Now since the mandate of Sub Sections (1) and (2) of Section 41 of the Act of 1894, becomes satiated by the petitioner-Company, through its releasing the entire determined compensation vis-a-vis the land losers concerned. Therefore, the inevitable corollary thereof, is that, the time mentioned in the MoU (supra) for

2025:PHHC:059055-DB



the undertaking of the construction activities over the subject sites, when for reason supra, thus became well deterred to be taken thereovers besides with the administration also breaching the covenant appertaining to rendition of assistance(s) to the petitioner-Company for the later assuming encumbrance free possession of the disputed lands, but thereupons becomes purposeless or is of no consequentiality. If yet consequentiality is lent to the said appositely prescribed period of time despite the said MoU becoming underwhelmed by the executions of the registered deeds of conveyance, thus thereupons, there would be ill escheating of the subject lands to the PUDA, whereas, the said is impermissible.

58. Contrarily, the lands of the land losers concerned, were if required to be restored to them by the Government, but could be so restored only after de-notifications being made of the launched acquisition proceedings. Since there is no order whereby the instantly launched acquisition proceedings became de-notified, nor thereby, becomes fructified thus the right, if any, of the land losers to ensure the restoration of the acquired lands to them. Contrarily, the effect thereof, is that, there is also no right, title and interest in the PUDA, to cause the escheating of the subject lands vis-a-vis it.

59. Moreover, the further combined effect of the entire component of compensation including the enhanced compensation amount, thus becoming disbursed to the land losers concerned by the beneficiary of the acquisition proceedings, along with the factum of registered deeds of conveyance becoming executed qua

2025:PHHC:059055-DB



the subject plots, is that, therebys a fundamental right become endowed upon the petitioner concerned, to practice the avowed businesses/profession over the subject lands. In case the said right is withdrawn from the beneficiary/petitioner, therebys the supra fundamental right, would also become concomitantly snatched. In sequel, therebys, it would necessarily have an ill impigning effect upon the said conferred fundamental rights upon the petitioner, thus appertaining to its practicing avowed business and profession over the subject lands.

60. The said snatchings could take place only when the mandate of sub section (1) of Section 41 of the Act of 1894 became breached besides may have been snatched from the petitioner, if the registered deeds of conveyance, rather had not been executed. Since the registered deeds of conveyance become executed (Annexures P-4 and P-12), therebys, the said fundamental right cannot be snatched unless of course there are other reasonable statutory interdictions against the endowment of the said fundamental right vis-a-vis the petitioner.

61. Be that as it may, since there are no palpable reasonable statutory interdictions, against the assigning of the said fundamental right, to the petitioner concerned, excepting the lack of undertakings of the apposite construction activities by the petitioner over the subject lands, despite the setting forth of the supra time lines in the MoU. However, since the spelt time lines in the MoU rather for reasons (supra), loose significance, especially in the wake of the execution(s) of

2025:PHHC:059055-DB



the registered deeds of conveyance. As such, there cannot be any unbridled or any untrammelled bestowment of any empowerment upon the PUDA, to yet snatch from the petitioner, the fundamental right to practice the avowed businesses and profession over the subject lands.

62. Though pursuant to the issuance of a notification cast under Section 4 of the 'Act of 1894', there is vestment of right, title and interest over the acquired lands vis-a-vis the acquiring department. However, since the instant acquisition was made in terms of Section 4 read with Section 41 of the 'Act of 1894'. Moreover, though in terms of the supra statutory provisions, an apposite Act MoU, became executed between the acquiring department and the beneficiary thereof i.e. the present petitioner. However, since the consideration for the execution of the Act agreement, thus is the tenderings, of the entire compensation amounts' by the beneficiary of the launched acquisition proceedings, rather to the land losers concerned. Since the fullest complement of the compensation amount has been disbursed to the land losers concerned. As such, when after the therebys vestings of complete right, title and interest in the acquiring department, thus subsequently the registered deeds of conveyance (Annexures P-4 & P-12) rather became executed inter-se the petitioner and the authorized representative of the acquiring department.

63. Resultantly therebys the earlier title invested in the acquiring authority over the subject lands but when through the supra execution(s), thus became divested by the acquiring authority,

2025:PHHC:059055-DB



and/or when therebys, thus became concomitantly vested but perfect, absolute and complete title over the subject lands vis-a-vis the petitioner concerned. As such, the said divestment of right, title and interest over the subject lands by the acquiring authority but also completely estops the PUDA to re-claim title over the subject lands.

64. Moreover, the petitioners respectively (in CWP-2445-4572-4600-4603-4671-4748 of 2025) state, that on the subject plots, which have been purchased by them by way of registered sale deeds/conveyance deeds, thus they are operating thereovers, their industrial units, thus after obtaining the requisite approvals, permissions/clearances from the Department(s) concerned, besides they have also been regularly filing their GST returns. Therefore, since therebys industrial activity has commenced over the subject lands. Resultantly, the passing of the resumption order against the apposite subject plots, is, illegal and is required to be quashed and set aside.

65. Emphatically, when therebys, thus in terms of the contractual covenants, rather mandating the makings of industrial activities on the subject plots concerned, hence, the relevant industrial activity is extantly underway over the subject plots. Therefore, the impugned order, in-so-far as the petitioner(s) are concerned, is declared to be non-est, and void and also suffers from vice of gross non application of mind. Moreso, it also breaches the principles of natural justice, as the petitioner(s) (in CWP-2445-4572-4600-4603-4671-4748 of 2025) have been condemned unheard, wherebys, it is further

2025:PHHC:059055-DB



ingrained with a vice of voidness. In addition, on a perusal of the records, it is revealed that the industrial Units (Supra) have been consistently filing GST returns for the last so many years. Therefore, the supra manifests that industrial activity has commenced over the apposite subject lands, wherebys, the echoings made in the resumption order, that no industrial activity has commenced over the apposite plots, is but, both false and invented.

Submissions of the learned counsels appearing on behalf of the GMADA/PUDA and reasons for rejecting the same.

66. At the outset, the learned counsel for the GMADA/PUDA refers to the hereinafter extracted relevant contents of the apposite documents, which became authored by the petitioner itself, wherebys, it becomes revealed that the encumbrance free possession of the subject lands became handed over to the petitioner-Company rather on 05.10.2011. Therefore, since from 05.10.2011 till 03.03.2020, there was no encumbrance over the subject lands, therebys, the period of ten years is argued, to become computed from 05.10.2011.

Annexure P-16

MAWANA SUGARS

Feburary 11, 2014

Mr. Karan A Singh IAS

Principal Secretary to the Government of Punjab

Department of Industries & Commerce

Government of Punjab

Udyog Bhawan, Sector 17

Chandigarh.

Dear Sir,

Re : Meeting on 27.01.2014 between the Government of Punjab and M/s Siel Industries Estate Limited for seeking a document from the Government of Punjab confirming

2025:PHHC:059055-DB



the legal position that the commencement date for the ten year period for project development envisaged in the Memorandum of Understanding (“MOU”) dated 14.10.1993 with the Government of Punjab (“Gop”) is in fact 05.10.2011.

xxxxx

We would therefore urge you to kindly issue us a simple confirmation, as requested that the commencement date for the ten year period for project development on the land is from 05.10.2011.

xxxx

Annexure P-17

Siel Industrial Estate Ltd.

14.03.2014

To

*The Collector Land Acquisition
Department of Commerce and Industry, Punjab
17, Bays Building
Sector 17 Chandigarh.*

*Subject : Memorandum by Ujara Roka Sangharsh
Committee.*

Dear Sir,

xxxxxx

As you are already aware, the Project of setting up the IE was to be completed within a maximum period of ten years from the date of clear and unencumbered possession of land.

The GoP conveyed about 597.112 acres of land to Siel IE between the years 2000 to 2007 but due to the fact that a writ petition challenging the entire acquisition filed by certain landowners was still pending in the Chandigarh High Court, all conveyance deeds executed by the GoP in favour of the Company were qualified by the words -

“This deed is subject to the outcome of pending litigation in CWP No. 5715 of 1995 (Amrik and Others Vs. State of Punjab).”

This qualification in the conveyance deeds made potential investors shy away from investing in the project and other than MSL's own chemical plant and a few downstream units put on about 141 acres, the rest of the land could not be developed. Not only this about 58 acres

2025:PHHC:059055-DB



of the land within the IE area continued to be in the possession of landowner/petitioners who had obtained a stay against dispossession.

The land became free from encumbrance only on 05.10.2011 when the land of the petitioners was denotified and the said Writ Petition was disposed of.

Xxxx

Annexure P-18

*Government of Punjab
Department of Industries and Commerce,
(Land Acquisition Branch)*

To

*M/s SIEL Industrial Estate Ltd.
5th Floor, Kirti Mahal, 19 Rajendra Place
New Delhi – 110008*

Subject: Period of 10 (ten) year development of the Industrial Estate begins from 5th October, 2011, the date on which the Company received clear and unencumbered possession of the land – M/s SIEL, Rajpura, District Patiala.

Xxxxx

2. In this connection, it is inform you that the project was to be developed as per the agreement entered into with the Punjab Government within ten years from the date of clear and unencumbered possession of the land. Due to pendency of CWP No. 5715 of 1995 titled as Amrik Singh and Others Vs. State of Punjab, the possession of land in question could not be treated as unencumbered. The Hon'ble Punjab and Haryana High Court disposed of the writ petition vide its order dated 5th October, 2011. Therefore, the period of 10 (ten) years for development of the Industrial Estate begins from 5th October, 2011 i.e. the date on which the company received clear and encumbered possession of the land.

67. It is further argued that since after the passing of an elongated period of 4 years, 8 months and 18 days, to be computed from 05.10.2011, the petitioner applied for the first statutory permission, therebys, the impugned order is argued to be sustainable.

2025:PHHC:059055-DB



68. The requisite permissions applied for by the petitioner-company and the time taken for approving the same by the authorities become(s) detailed in the hereinafter extracted table.

Sr. No.	Nature of approval	Initial date of application	Final date of application after complete compliances	Granted on	Time taken by the statutory authorities
1.	Permission for change of land use.	23.06.2016	11.09.2017	10.10.2017	30 days
2.	Submission of layout plan for 462.1552 Acres for approval	08.11.2017	22.06.2018	23.01.2019	7 months
3.	NOC by Forest Department	12.11.2018	N.A.	13.11.2018	01 day
4.	Environmental Clearance	2018	26.02.2000 29.05.2020	29.07.2020	02 months
5.	Exemption under Section 44 (2) of PAPRA except Section 5 (11), 6 to 20, 32 and 36 to 39 thereof	23.01.2019	N.A.	09.04.2019	02 months and 17 days
6.	Zoning Plan	23.04.2019	20.03.2020	01.06.2020	02 months and 12 days
7.	Consent to establish	N.A.	N.A.	08.07.2020	

69. It is argued by the respondent that, since the Real Estate (Regulation and Development) Rules, 2017 were notified in the State of Punjab and the petitioner remained in default, inasmuch as, it did not get the project registered till 16.12.2021 and the project was got registered only after issuance of a show cause notice, thus by the RERA authorities. Moreover, since the petitioner could not have commenced the development works without obtaining RERA Registration under Section 5 of the Real Estate (Regulation and Development) Act, 2016, thereby, it is contended that it becomes clear that the petitioner had no intent to develop the project.

2025:PHHC:059055-DB



70. Moreover, a declaration on affidavit on 03.03.2020 became submitted by the petitioner before the RERA Punjab, stating therein in unequivocal terms, that it has unencumbered possession over the project lands.

Reasons for rejecting the aforesaid arguments.

71. The effect of the supra, becomes effaced from theirs occurring subsequent theretos rather evident threatened tangible invasions over the subject lands. The said is but plain speakingly clear, from imminent threats vis-a-vis the assumption of encumbrance free possession of the subject lands by the petitioner concerned, thus becoming generated from the farmers' agitation. Since therebys, the petitioner became well deterred to ensure the undertaking of any construction activities over the subject lands. Therefore therebys, the effect of the supra reiteratedly becomes completely obliterated.

72. Now, the supra acquiescence(s), relating to delivery of encumbrance free possession but cannot be stretched rather to cover a situation, wherebys, if in future, there thus ensue tangible or actual endangerments hence vis-a-vis the assumption of encumbrance free possession qua the subject lands by the petitioner, yet the supra acquiescence(s), yet operating to minimize the effect thereof. Since the apposite tangible endangerments did evidently occur, thus subsequent to the supra purported acquiescence(s). As such, therebys when then there was non assumption of unencumbered possession over the apposite subject lands by the petitioner. Therefore the said admission(s) becomes underwhelmed by the subsequent theretos evident tangible

2025:PHHC:059055-DB



endangerments, thus being made by the concerned, vis-a-vis the assumption of the covenanted unencumbered possession over the subject lands by the petitioner.

73. As stated (supra), the said is openly manifested, thus by the petitioner accessing the civil court remedies, wherefrom, this Court has drawn a conclusion, that there was but apathy on the part of the administration, to forestall the evident obstruction(s) and hindrances as became created by the concerned vis-a-vis the assumption of unencumbered possession over the subject sites by the petitioner, whereby, naturally the apposite covenant, thus became openly breached by the PUDA/District Administration. Resultantly there cannot be yet any insistence upon the petitioner to undertake the construction activities within the period of ten years commencing from the year 2011.

74. Moreover, whereby as stated supra and as is required to be reiterated, qua whereby there was breach qua the apposite covenant, whereby, the respondent became enjoined to assist the petitioner in assuming unencumbered possession over the subject lands. Moreover, as stated (supra), the effect of the above, but cannot have any ill cascading effect upon the fundamental right of the petitioner, thus to practice the avowed businesses and profession over the subject lands.

Further arguments by the learned counsel for the respondents and reasons for rejecting the same.

2025:PHHC:059055-DB



75. The petitioner applied for extension of time to complete the project, and the espoused extension was granted by the Competent Authority from 05.10.2021 till 04.10.2024.

76. **Therefore, therebys too, but evident belated assistance was given to the petitioner-Company, assistance whereof became envisaged in the MoU, thus to become effectively rendered, so as to ensure the timely completion of the subject project. Necessarily therefroms also an acquiescence becomes engendered, from the PUDA, that therebys, thus becoming subdued qua the purported necessity vis-a-vis the apposite time limit of ten years, rather becoming computed from the year 2011. Even otherwise, given the immensity of the size of the subject project, the said extension of time but ex facie is extremely minimal and/or is dis-proportionate, thus for completing the subject project of a mega size. Resultantly therebys, the supra minimal extension of time i.e. from 05.10.2021 till 04.10.2024 also becomes completely insignificant, nor therebys underwhelms the fundamental right of the petitioner, rather not only to practice the avowed businesses or profession over the subject lands besides also concomitantly endows vis-a-vis the petitioner to espouse for the apposite extensions/permissions becoming granted to it, thus by all the competent authorities concerned.**

77. Moreover there is no telling evidence on record suggestive, that only after site inspections being made, that therebys it was deemed fit to grant the said minimal extension. As such, the

2025:PHHC:059055-DB



said minimal permission/extension is deemed to be made without any well informed tangible evidence existing on record, appertaining to some works being undertaken and the left over works but likely to be completely undertaken, thus within the period covered by the said minimal extension. Resultantly, the said minimal extension of time is but dis-proportionate, to the immensity of the size of the functional industrial undertakings, to thus become effectively operationalized vis-a-vis the subject lands. Therefore, the said minimal extension has no meaningful impact nor bars the petitioner to claim further extensions.

78. Moreover, as revealed, by the table extracted hereinabove, whereby, permission for change of land user became respectively granted on 10.10.2017, NOC by Forest Department became granted on 13.11.2018, Environmental Clearance became granted on 29.07.2020. Therefore, the computation of the apposite period of ten year, if at all required, was to be computed from the date, when the aforesaid permissions became granted to the petitioner-Company.

79. Even otherwise, as stated (supra), the above belated applications, but cannot have any ill cascading effect upon the present petitioner, rather they are manifestative of omissions on the part of the respondent, to invite the attention of the petitioner-Company rather to make all the relevant motions. Moreover, the said belated applications, betray breach being made to the mandate of Section 41, as embodied in the Act of 1894, whereunders, a

2025:PHHC:059055-DB



statutory obligation becomes cast upon the acquiring authority to in contemporaneity to the relevant year, when the acquisition proceedings became launched, thus to ensure that the change of land user permission, and, also the other requisite clearances are ensured to be imparted to the petitioner. The said omissions also negate the stance of the PUDA.

80. Though it is argued that apparently a collusive civil suit became filed on 22.12.2021, by the petitioner, especially when therein neither the PUDA nor the State of Punjab were made party(ies). Moreover also, since the said civil suit became withdrawn against defendants No. 1, 2, 4 and 20 and the remaining defendants were proceeded against ex-parte. In addition, it is also argued that the Ujada Roko Sangarsh Committee was given up as Defendant. Therefore, it is argued that therebys the said civil suit, thus created an invented ground qua obstructions being created vis-a-vis the assumption of encumbrance free possession over the disputed lands by the petitioner-Company.

81. **However, the said argument also becomes rejected. The reason being that in the said civil suit, the learned civil Court, had made a direction upon the concerned SHO/Supervising DSP, to render police assistance to the plaintiff for the implementation of order dated 09.11.2022, as passed by the Appellate Court, whereby, defendants No. 3, 5 to 19, thus were restrained from interfering in the peaceful possession of the plaintiff over the subject lands.**

82. Moreover, since even post the passing of the afore order, thus no apposite pleadings were raised, thus post an application

2025:PHHC:059055-DB



being filed under Order 1 Rule 10 CPC, qua the said passed order being defective or being an invented/collusive order. Consequently, the effect of the above omission, is that, qua irrespective of the District Administration rather remaining un-impleaded in the civil suit, yet thus valid deterrences being created vis-a-vis the assumption of encumbrance free possession over the disputed lands by the petitioner concerned, whereby, also the covenant relating to the undertaking of the requisite activity over the subject lands, but within ten years from 2011, thus becomes absolutely irrelevant.

83. Emphatically assuming, if once the possession of the subject lands became delivered to the petitioner, yet it was obligatory on the part of the administration also rather to protect the appositely assumed possession over the disputed lands, by the petitioner. **However, for reasons (supra), both the PUDA or the District Administration, yet failed to protect the appositely assumed possession, over the subject lands by the petitioner, whereby, for the said apathy rather no legal causality is required to become encumbered upon the petitioner.**

84. After the expiry of the extended period to develop the project, thus on a stamp paper purchased on 30.09.2024 (Annexure P-61), a share purchase agreement for Rs. 117 Crore, became executed by the petitioner-company in favour of SBP Group, which has been mentioned as “**Buyer**” as against a contributor to the equity share holding. It is argued that since the relevant clause 2 (g) as carried in the conveyance deed (Annexure P-12), clause whereof becomes extracted

2025:PHHC:059055-DB



hereinafter, enjoined upon the vendor concerned, to thus obtain, the requisite permission from the respondent concerned, whereas, the said covenant becoming breached. As such, it is further submitted that the execution of the supra agreement inter-se M/s SIEL and M/s SBP Group is invalid.

g) It shall not transfer by way of sale, gift, exchange, mortgage or otherwise assign the said land (or the building constructed thereon) or any right, title or interest therein other than the purpose mentioned herein without the prior permission of the Government PROVIDED that the Company may transfer by way of security, the said land in favour of Industrial Finance Corporation of India, Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Life Insurance Corporation of India, Government of India, Unit Trust of India and other scheduled Banks or any other institutions (list to be provided to the Government by the Company with complete address) from whom it receives Financial assistance for purposes of the Project for which the said land is hereby conveyed and the financial institutions will have and may exercise all or any of the powers available to or conferred upon them by any under the relevant law and Government will also simultaneously forward copies of the notice referred to in clause 4 hereof to each of the financial institutions and will not take further action in furtherance of such notice without prior consultation of the said financial institutions.

85. Though, it is argued that the share purchase agreement, was not even brought to the notice of the competent authority. Moreover, though it is contended, that from the date when the first extension of time, was to expire, and, prior to the request being made by the petitioner-Company for grant of the second extension, thus stamp papers were purchased by the petitioner, whereby, the project land was to be sold to M/s Singla Builders and Promoter (SBP Group). Therefore, it is contended that the petitioner-Company actually, had no intention to develop the subject project, but was only interested to earn illegal profits by selling the project land.

2025:PHHC:059055-DB



86. It is further contended that since preceding the making of the resumption order, a show cause notice (Annexure P-62) became issued to the petitioner, to explain as to why the project land should not be resumed, wherebys, the principles of natural justice became adhered to. Since in response to the said show cause notice, reply became received from SBP Group, which is not a privy to the MoU dated 14.10.1993, nor is privy qua the conditions stipulated in the conveyance deeds executed by the Government of Punjab in favour of the petitioner. As such, it is contended that the resumption order is required to be validated.

87. **However, the said raised argument becomes rejected on the ground, that since through the executions' of the registered conveyance deeds, there was complete passing of a valid right, title and interest over the subject lands in the petitioner-Company. As such, therebys, there was no requirement of permission being either asked for or being granted to the vendor concerned, thus for making through any mode, hence alienations' of the subject sites vis-a-vis the SBP Group. As such, when the apposite executions qua the supra vendee, thus happened in the exercise by the competent alienor, vis-a-vis its right to alienate the subject lands, in favour of the alienee concerned. As such, the alienation made through the relevant mode by the vendor in favour of the vendee concerned, thus cannot be faulted.**

88. Resultantly the execution of the share purchase agreement (supra), wherebys, equity/preference shares (of all types)

2025:PHHC:059055-DB



of the SIEL IE and the entire equity shares of the SIEL IED, held by MSL all together, became transferred in entirety, to the vendee concerned, thus at this stage cannot be stated to be vitiated. The said transfer is in terms of the hereinafter re-extracted clause II (2) of the MoU dated 14.10.1993.

“2. Develop and market the IE to the industrial entrepreneurs who may wish to set up their industries in the said IE on such terms and conditions as may be congenial for the development of the said IE. The development and marketing of IE would be done either by SIEL itself or through a separate company (hereinafter referred to as New Company) to be promoted by SIEL. SIEL may offer equity in the New Company to others including State Government Undertaking and public at large.”

89. Moreover, even the condition set forth in the conveyance deed i.e. clause 2(g) thereof, clause whereof become extracted hereinabove, as appertains to alienations being barred to be made, excepting for industrial activity, but is an ill made covenant or is an ill made condition. The reason for stating so generates from the factum, that the said covenant/condition, but unnecessarily fetters, the investment of complete right, title and interest as perfect owner over the subject lands vis-a-vis the petitioner, as did ensue from the execution(s) of registered deed of conveyance in favour of the petitioner concerned, thus by the authorized representative of the respondent.

90. However, even if the said fetter, thus had some application/relevance, thereupons, only if there was adduction of tangible evidence, thus suggestive, that the alienee from the petitioner i.e. SBP Group, in breach of the apposite condition, rather interdicting the sale of the subject plots, thus for a non industrial activity being carried thereovers, rather had evidently

2025:PHHC:059055-DB



undertaken a non industrial activity over the subject lands. Resultantly therebys alone, the said condition could be said to be breached. However, since the said evidence is amiss, therefore, it was inappropriate for the author of the impugned order, to state that there was violation of the said condition, if assumingly, it has some force.

91. Now, assumingly, even if there was breach to the said covenant/condition, yet the said was required to be asserted in a suit in the said regard being filed before the civil Court of competent jurisdiction, wherein, all affected became arrayed as party-defendants, as therebys alone, on issues becoming raised upon the contested pleadings, and on cogent evidence becoming adduced by the litigant concerned, on the apposite issues, thus it being possible to render the espoused decree in favour of the aggrieved concerned. The supra procedure/processes further the principles of natural justice, therebys adoptions thereof but is imperative but only by the civil Court of competent jurisdiction.

92. The said was not required to be done, in the manner as has been done, through the passing of the impugned order, wherebys, but naturally the author of the impugned order, but has untenably arrogated onto himself the power of the civil Court of competent jurisdiction, wherebys, the impugned order becomes infected with a vice of *coram non judice*.

93. Even if assumingly, some non industrial activity, becomes undertaken over the subject lands at the instance of the concerned, yet

2025:PHHC:059055-DB



the undertakings of any such non industrial activity, over the subject lands, thus would become saved in terms of the hereinafter extracted statutory provisions, as carried in Section 38-A, 39 and 40 of the Act of 1894.

38-A. Industrial concern to be deemed company for certain purposes. -An industrial concern, ordinarily employing not less than one hundred workmen owned by an individual or by an association of individuals and not being a company, **desiring to acquire land for the erection of dwelling-houses for workmen employed by the concern** or for the provision of amenities directly connected therewith shall, so far as concerns the acquisition of such land, be deemed to be a company for the purposes of this Part, and the references to company in [sections 4, 5-A, 6, 7 and 50] shall be interpreted as references also to such concern.]

39. Previous consent of appropriate Government and execution of agreement necessary -The provisions of sections 6 to 16 (both inclusive)] and sections 18 to 37 (both inclusive) shall not be put in force in order to acquire land for any company under this part, unless with the previous consent of the appropriate Government, nor unless the company shall have executed the agreement hereinafter mentioned.

40. Previous enquiry. - (1) Such consent shall not be given unless the appropriate Government be satisfied either on the report of the Collector under section 5A, sub-section (2), or by an enquiry held as hereinafter provided, -

[(a) that the purpose of the acquisition is to obtain land for the erection of dwelling houses for workmen employed by the Company or for the provision of amenities directly connected therewith, or

[(aa) that such acquisition is needed for the construction of some building or work for a Company which is engaged or is taking steps for engaging itself in any industry or work which is for a public purpose, or]

(b) that such acquisition is needed for the construction of some work, and that such work is likely to prove useful to the public].

(2) XXXX

(3) XXXX

2025:PHHC:059055-DB



94. A reading of the supra statutory provision, as embodied in Section 40 (2) (a) and (aa) of the Act of 1894, manifests that, where lands are acquired for a Company, thus engaged in or which is taking steps for engaging itself in any industrial work, as is the present Company, besides when industrial workmen are required to be engaged by the said Company, thus for furthering the said purpose. Resultantly, when the present acquisition(s) were made for undertakings of industrial activity(ies) over the acquired lands, thereupon, there became concomitantly spurred the further necessity qua mindfulness vis-a-vis the housing needs of the industrial workmen, who are engaged on such Industries. The said dwelling units for housing therein industrial workmen or other employees of the industrial undertakings which become established over the subject lands, but are naturally incidental to the apposite manufacturing activity becoming carried over the subject lands.

95. Consequently, even if any condition, becomes set forth in the conveyance deed (supra), whereby there is interdiction against any non industrial activity becoming undertaken over the subject lands, including the non undertaking of construction of dwelling units, thus for catering to the housing needs of the industrial workmen, therebys, the said condition appears to militate against the statutory elucidations' as made in the provisions (supra), whereby, the said condition may not be construed to be holding any legal effectivity.

96. Moreover, the said condition, if any, is in derogation of the supra statutory provisions i.e. Sections 38, 39 and 40 of the Act of 1894,

2025:PHHC:059055-DB



wherebys, there is permissibility to the concerned, to ensure the raising of dwelling units for housing therein industrial workers/other employees engaged in the manufacturing unit, as therebys, the constitutional endowed right to life vis-a-vis them, thus would become furthered. As such, the said condition ill impigns, both the supra statutory provisions, besides ill impigns the right to life, as enshrined in Article 21 of the Constitution of India, therebys, it is required to be declared to be unreasonable. Moreover, it also causes breach to the apposite statutory conditions besides causes breach to the fundamental right to life, as is required to be endowed to the industrial workmen/other employees, who are employed in the industrial units established or to be established over the subject lands.

97. Further, the learned State counsel argues that, the judgment made by the Hon'ble Supreme Court in case titled as "***State of Haryana and Others Vs. Northern Indian Glass Industries Limited***" reported in ***(2015) 15 SCC 588***, rather is fully applicable to the facts at hand. The relevant paragraphs as occur in the said judgment become extracted hereinafter.

5. *xxxx In the Writ Petition of the Respondent, the Appellant State essayed to justify the impugned Notice of Resumption on the basis of the terms and conditions set out in the Deed of Conveyance.*

6. *The relevant clauses of the Deed, whence the rights and the duties of the parties flow, inter alia state:*

"2. The Company hereby covenants with the Government that it shall: (i) Use the said land exclusively for all or any of the purposes of a factory for the manufacture of sheet

2025:PHHC:059055-DB



glass and such other products as the Government may approve and for no other purpose.

XXXXXX

(iv) Not to transfer by way of sale, gift, exchange, mortgage or otherwise the said land or the buildings constructed thereon or any right, title or interest therein without prior written permission of the Government. However, the Government hereby agrees that the company shall have the liberty to mortgage the said land together with building erected/to be erected thereon in favour of the Industrial Finance Corporation of India (IFCI); Industrial Development Bank of India (IDBI); and the Industrial Credit and Investment Corporation of India (ICICI).

XXXXXX 4(i) In the event of the company being up whether compulsorily or voluntarily (save for the purposes of amalgamation or reconstruction) and the company, through its liquidator, failing to obtain the Government's permission to transfer the said land with the buildings constructed thereon in terms of the clause 2(iv) hereof or if the company shall fail to observe and perform any of the covenants on its part contained in this deed, then and in either such case the Government may resume the said land by serving a notice on the company by sending it to the registered office of the company by registered post (acknowledgment due). The notice shall indicate the reasons for resumption of the said land and shall require the company to remove and dispose of for its own benefit all buildings and other structures constructed on the said land and all machinery and other fittings fixed therein or lying thereon within a period of not more than 15 months from the date of service of the notice on the company.

2025:PHHC:059055-DB



(ii) That from the date of service of the notice referred to in sub-clause (i) the said land shall subject to the provisions of sub-clause (iv) hereinafter appearing stand resumed and vest in the Government.

7. Even a cursory glance at clause 2(iv) of the Deed would manifest that the Respondent was specifically precluded from selling, gifting or transferring the subject land without prior “written permission” of the Appellant State. When clause 2(iv) and clause 4(i) of the Deed are read in conjunction, it is at once apparent that the Appellant State was empowered to resume the land in the event of their violation by the Respondent. Such resumption, the Appellant State vehemently argues, could be done merely by serving on the Respondent a notice containing the reasons therefor. The Appellant State further contends that the Deed bestows no right on the Respondent to be heard before resumption and hence no corresponding duty is cast on the Appellant State to comply with the principles of natural justice; that the rights and the duties of the parties are strictly circumscribed by the contractual rights contained in the Deed, which alone should be the determining factor to resolve disputes arising between the parties. The argument of the Appellant State did find favour with the High Court which held that the power of the Appellant State to convey the land to the Respondent is subject to extant Rules. It opined that the Appellant State has exercised its power to convey the land by virtue of Chapter VII of the Act, but Clause 2(iv) is also borrowed from Section 44A of the Act. Section 41, as provided in the Chapter VII of the Act read with the preceding provisions, lays down several general conditions, such as, cost of acquisition, terms on which the land transferred should be held by a company, time period for fulfilment of conditions etc. Section 44A thereafter forbids the concerned company from disposing of the land transferred to it by any mode of conveyance, except with the previous written sanction of the concerned Government. The clause for resumption mentioned in the Deed has not been prescribed in the Act, but nevertheless empowers the State to resume the land in certain

2025:PHHC:059055-DB



situations. Sub-Rule 2 of Rule 5 of the Land Acquisition (Companies) Rules, 1963 provides that in case a company breaches any of the terms of the Agreement, the appropriate Government shall not make an order declaring the transfer of the acquired land as null and void, unless the company has been given an opportunity of being heard in the matter.

8. We agree with the High Court that the Deed of Conveyance is founded on the Act and, therefore, contractual rights would not be the only determinative elements in the dispute. We also endorse the High Court's opinion that the principles of natural justice are an "inalienable part of the rule of law"; abidance with these principles is necessary even de hors specific stipulation in this regard. We reiterate, however, that the Deed of Conveyance does not permit the Respondent to sell the land without prior written permission of the Appellant State. The Respondent, while admitting that it never sought permission of the Appellant State, endeavours to defend its conduct by asserting that since the Appellant State was a party to the execution proceedings, it impliedly consented to the sales.

xxxx xxxx

21. In the instant case, the conduct of the Respondent has not only been utterly unfair but, in fact, it smacks of fraud, malpractice and malfeasance. It cannot be justified as a simple error which may exonerate it of the allegations levelled against it by the Appellant State. According to its own affidavit filed before the High Court, the Respondent has executed 118 Sale Deeds in favour of various third parties, with several sales being in 2004-05. This is sought to be vindicated by the Respondent on the ground that since the land was returned to it in 2004 after the quashing of the acquisition was set aside by this Court, it could have executed final Sale Deeds in respect of Agreements to Sell of 1991 post repossession of the land. Whether it had entered into Agreements to Sell with third parties in 1991 or accepted Earnest Money thereagainst is not an enquiry to be made here. It is also the case of the Respondent that after the land remained in possession of the original landowners for twelve long years, it was beyond its control

2025:PHHC:059055-DB



to establish the unit as was proposed and postulated at the time of acquisition and so in bona fide belief it sold the remaining land as well. The Respondent cannot predicate that after paying the cost of the land to the Appellant State and the enhanced compensation to the original landowners, it had become absolute owner of the land and consequently it could use the land in the manner it liked.

XXXX

24. The Appeal is accordingly allowed and the Impugned Judgment is set aside. We are mindful of the legally reprehensible manner in which the Respondent has abused the acquisition of land in their favour. The Respondent is therefore liable to pay costs of legal proceedings which are quantified by us at 2 lakhs. Costs to be paid within two months.

98. Since in the said case also, thus a conveyance deed became executed inter se the concerned, and, when also in the instant case, the MoU (supra) and conveyance deeds, thus become executed between the concerned. Resultantly, since in the verdict (supra), the therein conveyance deeds became annulled, thus on the ground qua breach being made rather by the beneficiary of the therein acquisition, qua the relevant condition(s) cast therein, hence to the extent, that alienations, as made therein vis-a-vis the therein acquired lands by the beneficiary concerned, rather were made despite a specific interdiction in respect thereof, being cast in the said case, whereons, the judgment (supra) became rendered. Therefore, it is contended that since in the instant case also, there are covenanted interdictions against the making of alienations qua the subject lands by the petitioner concerned, vis-a-vis the vendees concerned, thereby, the expostulation(s) of law, as made in

2025:PHHC:059055-DB



the judgment supra, thus are with aplomb applicable to the instant case, wherebys, the impugned order is required to be validated.

For the reasons to be assigned hereinafter the said argument requires rejection.

99. The principal reason for stating so, becomes grooved in the premise, that the learned counsel for the respondent, but has remained unmindful of the fact, that in the said case, there was an explicit interdiction against the beneficiary of the thereins acquisition proceedings, rather against his/it making sale, gift, or exchange of the thereins subject lands. The said thereunders made explicit interdictions, become re-extracted hereinafter.

6. *The relevant clauses of the Deed, whence the rights and the duties of the parties flow, inter alia state:*

“2. The Company hereby covenants with the Government that it shall: (i) Use the said land exclusively for all or any of the purposes of a factory for the manufacture of sheet glass and such other products as the Government may approve and for no other purpose. XXXXXX

(iv) Not to transfer by way of sale, gift, exchange, mortgage or otherwise the said land or the buildings constructed thereon or any right, title or interest therein without prior written permission of the Government. However, the Government hereby agrees that the company shall have the liberty to mortgage the said land together with building erected/to be erected thereon in favour of the Industrial Finance Corporation of India (IFCI); Industrial Development Bank of India (IDBI); and the Industrial Credit and Investment Corporation of India (ICICI).

100. Since the thereins made thus express interdictions, rather became evidently breached by the thereins beneficiary, therebys, on breach thereof being made by the therein beneficiary of the thereins acquisition, therebys in the judgment (supra), rather not only the said made alienations were set aside, but also the thereins acquired lands were ordered to be resumed vis-a-vis the acquiring authority. Conspicuously, given the limited right which became conferred qua the

2025:PHHC:059055-DB



beneficiary of the thereins acquisition, thus becoming confined only to make mortgage(s) of the thereins subject lands. Reiteratedly since the beneficiary vis-a-vis the thereins acquisition, rather in breach of the condition against its making sales, gift and exchanges of the thereins subject lands, thus did proceed to do so. Consequently, therebys the Apex Court declared that the said interdicted sales, gifts or exchanges, if any, were required to be invalidated.

101. In the verdict (supra), the thereins made acquisitions were made pursuant to Section 4 of the Act of 1894. Moreover, the agreement thereins which became breached at the instance of the beneficiary of the thereins acquisition, thus was drawn in terms of Section 41 of the Act of 1894. The fact that the said was drawn in terms of Section 41 of the Act of 1894, is earmarkedly highlighted by the Apex Court in paragraph No. 8 of the verdict (supra) which becomes re-extracted hereinafter.

8. We agree with the High Court that the Deed of Conveyance is founded on the Act and, therefore, contractual rights would not be the only determinative elements in the dispute. xxxx

102. Since the expressions, as, made in the hereinabove reproduced paragraph which becomes embodied in the judgment (supra) rather remain unrefuted, therebys, the thereins made agreement but is deemed to be an agreement drawn in terms of Section 41 of the Act of 1894, thus inter-se the concerned, besides obviously was not a registered deed of conveyance, as became executed inter-se the thereins acquiring authority and the beneficiary thereof.

2025:PHHC:059055-DB



103. The further effect of the supra inference, is that, since in the supra case, rather in contemporaneity to the issuance of a notification, under Section 4 of the Act of 1894, thus there was complete vestment of right, title and interest over the therein subject lands qua the therein acquiring authority. Consequently, unless the therein acquiring authority rather had divested itself of the said invested right, title and interest, thus through the execution(s) of a registered deed of conveyance vis-a-vis vendee/beneficiary concerned. Resultantly, the restriction supra created against the assumption of absolute title vis-a-vis the therein beneficiary, except the right to create a mortgage, but remained alive and also did acquire the completest force. Naturally therebys, since vitiated sales of the subject lands rather became made by the therein beneficiary of the apposite acquisition, as such, the Hon'ble Supreme Court annulled the same.

104. Pointedly, in the instant case, apart from the Act agreement i.e. MoU drawn on 14.10.1993, rather subsequent thereto a registered deed of conveyance became executed between the petitioner concerned and the authorized representative of the respondent. Therefore, the impactful effectivity of the said executed registered deeds of conveyance, thus respectively inter-se the petitioner concerned and the authorized representative of the respondent concerned, but is, that the earlier vested perfect right, title and interest in the acquiring authority, which but occurred in

2025:PHHC:059055-DB



contemporaneity to the making of a notification under Section 4 of the Act of 1894, thus thereby becoming annulled.

105. Emphasizingly the said annulment, thus occurred through the vestment of perfect title in respect of the acquired lands, thus being made vis-a-vis the petitioner concerned, reiteratedly through executions in its favour by the authorized representative of the respondent concerned, hence of registered deeds of conveyance.

106. The said investment of complete right, title and interest over the subject lands in favour of the petitioner concerned, but cannot be fettered nor but obviously the PUDA can snatch the said absolutely conferred right, title and interest over the petitioner concerned, through its validating the resumption order, as thereby, it appears that the respondent concerned appears to ill escheat, the absolute conferment of perfect right, title and interest over the petitioner concerned, through the execution(s) of the registered deeds of conveyance (supra).

107. Secondly, since in the conveyance deed in the verdict (supra), there was a specific covenant against the makings of sale, gift and exchange of the subject lands, excepting with the permission of the Government, whereas, the said condition became breached. Therefore, the apposite therein alienations became annulled. The said covenant becomes re-extracted hereinafter.

(iv) Not to transfer by way of sale, gift, exchange, mortgage or otherwise the said land or the buildings constructed thereon or any right, title or interest therein without prior written permission of the Government. However, the Government hereby agrees that the company shall have the liberty to mortgage the said land together with building erected/to be erected thereon in favour of

2025:PHHC:059055-DB



the Industrial Finance Corporation of India (IFCI); Industrial Development Bank of India (IDBI); and the Industrial Credit and Investment Corporation of India (ICICI).

108. However, in the instant case in clause 2 (g) of the conveyance deed, it becomes specifically provided that the present petitioner but *shall not transfer by way of sale, gift, exchange, mortgage or otherwise assign the said land (or the building constructed thereon) or any right, title, interest therein **other than the purpose mentioned herein** without prior permission of Government...*

109. Imperatively the thereins word **other than the purpose mentioned herein** i.e. for industrial activity implies, that there was yet an endowment of permissibility vis-a-vis the beneficiary of the acquisition, to make sale, gift, exchanges or mortgage of the subject lands, but only for industrial activity to be undertaken on the subject lands. In other words, the requisite permissions for making valid sales, gifts or exchanges of the present subject lands, thus was required to be obtained by the present petitioner from the Government, rather only when the apposite lands became intended to be transferred for non industrial activities.

110. Even otherwise, for reasons detailed in paragraph No. 96, the said condition, if any, is violative of the statutory provisions as carried Sections 38, 39 and 40 of the Act of 1894, whereby, there is permissibility to the concerned, to ensure the raising of dwelling units for housing therein industrial workers/other employees engaged in the manufacturing units, installed over the subject lands.

2025:PHHC:059055-DB



111. Moreover, since in condition No. II (2) of the MoU dated 14.10.1993, condition whereof becomes re-extracted hereinafter, whereunders, the petitioner-Company was endowed the liberty to market the IE to the industrial entrepreneurs, who may wish to set up their industries. In addition, when a deep reading of the condition (supra) unfolds, that the petitioner-Company i.e. M/s SIEL either itself or through a separate company to be promoted by the SIEL, shall develop and market the said IE. Lastly and most importantly, when thereins it has been stated that SIEL may offer equity in the new Company to be promoted for the said purpose including the State Government undertaking and public at large.

2. Develop and market the IE to the industrial entrepreneurs who may wish to set up their industries in the said IE on such terms and conditions as may be congenial for the development of the said IE. The development and marketing of IE would be done either by SIEL itself or through a separate company (hereinafter referred to as New Company) to be promoted by SIEL. SIEL may offer equity in the New Company to others including State Government Undertaking and public at large.

112. Since in the instant case, in terms of the hereinabove **underlined last sentence as occurs in condition No. II (2) of the MoU dated 14.10.1993, M/s SIEL has transferred its entire equity shares in favour of the New Company i.e. SBP Group, besides when this Court for reasons detailed in paragraphs No.87 to 92, thus has held that the afore sales of shares rather is valid. In sequel, the said sale of the fullest component of the equity shares earlier owned by M/s SIEL IE and SIEL IED to SBP Group, thus does not suffer from any infirmity as such.**

113. The above also underscores the trite distinguishable fact inter-se the conveyance deed in the judgment (supra) and the

2025:PHHC:059055-DB



conveyance deed in the instant case, whereby, also the said judgment is neither applicable to the facts at hand nor the therein propounded ratio decidendi rather is applicable to the instant case.

Further Inference of this Court.

114. On making a studied and close analyses of the submissions addressed before this Court by the counsel for the petitioner and the counsel for the respondents, this Court is of the profound view, that the writ petition(s) are required to be allowed. Moreover, this Court is also of the profound view that the primary reason for stating so, stems from the factum, that the petitioner namely M/s SIEL, was the beneficiary of the acquisition proceedings which became launched in terms of Sections 4 and 6 of the Act of 1894 read with Section 41 of the Act of 1894, provisions whereof have already been extracted above. As such, the agreement/MoU as embodied in Annexure P-1 was drawn. The apposite Act agreement i.e. the MoU, thus, was succeeded by registered deeds of conveyance becoming executed inter-se the petitioner-M/s Siel and the Government of Punjab through its Secretary.

115. Though straightway, at the outset, it can be both emphatically and unequivocally stated, that all the conditions, as became set forth in the MoU (Annexure P-1), Annexure whereof, is the Act agreement, thus became subsumed within the realm of the registered deeds of conveyance (Annexure P-4 and Annexure P-12), which became executed inter se the petitioner-M/s Siel and the Government of Punjab through its Secretary. Necessarily since therebys, there was complete vestment of right, title and interest over the subject

2025:PHHC:059055-DB



lands vis-a-vis the petitioner (in CWP-2324-2025), whereupon, when therebys the petitioner became endowed with the fundamental right to practice business and profession. Therefore, the said conferred fundamental right was not snatchable without any reasonable ground appertaining to any valid non grantings of the asked for permissions/extensions. If the said right is snatched arbitrarily and capriciously, rather therebys, the ***Wednesbury principle*** and the ***principle of proportionality*** would become undermined. The said principles are enumerated in a verdict rendered by the Apex Court, in case titled as **Chairman, All Railway Rec. Board & Anr. Versus K. Shyam Kumar & Ors.** reported in **2010(6) SCC 614**. The relevant paragraphs of the said verdict become extracted hereinafter.

17. Ground of irrationality takes in Wednesbury unreasonableness propounded in Associated Provincial Picture Houses Limited v. Wednesbury Corporation (1947)2 All England Reporter 680, Lord Greene MR alluded to the grounds of attack which could be made against the decision, citing unreasonableness as an 'umbrella concept' which covers the major heads of review and pointed out that the court can interfere with a decision if it is so absurd that no reasonable decision maker would in law come to it. In GCHQ Case (supra) Lord Diplock fashioned the principle of unreasonableness and preferred to use the term irrationality as follows :

"By 'irrationality' I mean what can now be succinctly referred to as "Wednesbury's unreasonableness", It applies to a decision which is so outrageous in its defiance of logic or of accepted moral standards that no sensible person who had applied his mind to the question to be decided could have arrived at it."

xxxx

29. Wednesbury principle of unreasonableness as such has not been replaced by the doctrine of proportionality though that test is being applied more and more when violation of human rights is alleged. H.W.R. Wade & C.F. Forsyth in the 10th Edition of Administrative Law (2009), has omitted

2025:PHHC:059055-DB



the passage quoted by this court in Jitender Kumar case and stated as follows:

"Notwithstanding the apparent persuasiveness of these views the coup de grace has not yet fallen on Wednesbury unreasonableness. Where a matter falls outside the ambit of 1998 Act, the doctrine is regularly relied upon by the courts. Reports of its imminent demise are perhaps exaggerated." (emphasis applied).

30. ***Wednesbury and Proportionality*** - *Wednesbury applies to a decision which is so reprehensible in its defiance of logic or of accepted moral or ethical standards that no sensible person who had applied his mind to the issue to be decided could have arrived at it. Proportionality as a legal test is capable of being more precise and fastidious than a reasonableness test as well as requiring a more intrusive review of a decision made by a public authority which requires the courts to 'assess the balance or equation' struck by the decision maker. Proportionality test in some jurisdictions is also described as the "least injurious means" or "minimal impairment" test so as to safeguard fundamental rights of citizens and to ensure a fair balance between individual rights and public interest. Suffice to say that there has been an overlapping of all these tests in its content and structure, it is difficult to compartmentalize or lay down a straight jacket formula and to say that Wednesbury has met with its death knell is too tall a statement. Let us, however, recognise the fact that the current trend seems to favour proportionality test but Wednesbury has not met with its judicial burial and a state burial, with full honours is surely not to happen in the near future.*

31. ***Proportionality, requires the Court to judge whether action taken was really needed as well as whether it was within the range of courses of action which could reasonably be followed. Proportionality is more concerned with the aims and intention of the decision-maker and whether the decision-maker has achieved more or less the correct balance or equilibrium. Courts entrusted with the task of judicial review has to examine whether decision taken by the authority is proportionate, i.e. well balanced and harmonious, to this extent court may indulge in a merit review and if the court finds that the decision is proportionate, it seldom interferes with the decision taken and if it finds that the decision is***

2025:PHHC:059055-DB



disproportionate i.e. if the court feels that it is not well balanced or harmonious and does not stand to reason it may tend to interfere.

32. *Leyland and Anthony on Textbook on Administrative Law (5th edn. OUP, 2005) at p.331 has amply put as follows :*

"Proportionality works on the assumption that administrative action ought not to go beyond what is necessary to achieve its desired results (in every day terms, that you should not use a sledgehammer to crack a nut) and in contrast to irrationality is often understood to bring the courts much closer to reviewing the merits of a decision".

33. ***Courts have to develop an infeasible and principled approach to proportionality till that is done there will always be an overlapping between the traditional grounds of review and the principle of proportionality and the cases would continue to be decided in the same manner whichever principle is adopted. Proportionality as the word indicates has reference to variables or comparison, it enables the Court to apply the principle with various degrees of intensity and offers a potentially deeper inquiry into the reasons, projected by the decision maker.***

116. In consequence, the therein envisaged principle of reasonableness and the concomitant thereto principle of proportionality, as extantly appertaining to the necessity, qua non overstretching of the appositely fixed period of time, wherein, industrial activity was to be undertaken, but necessarily becomes breached. The firm reason for stating so, is etched in the premise that, given the mega size of the project, thereupon, the contemplated industrial activities over the subject project, thus on the principle of reasonableness, rather not being amenable to become completed within the limited period commencing from 05.10.2021 and lasting till 04.10.2024. As such, the apposite extensions are required to be granted.

117. More emphatically, when therebys also there would be decimation, vis-a-vis the rights of the petitioner, but for no fault on the part of the present petitioner, to carry out the relevant activities on the

2025:PHHC:059055-DB



subject lands. Conspicuously when within the above period of time, rather their being evident apathy, thus on the part of the administration to lend the covenanted assistance(s) to the present petitioner. In sequel, the principle of reasonableness and the consequent thereto principle of proportionality, thus are squarely loaded vis-a-vis the petitioner and but are loaded against the respondent.

118. The further resultant effect thereof, is that, the supra underlined expostulations, as made in the judgment made by the Apex Court in **Chairman, All Railway Rec. Board & Anr. Versus K. Shyam Kumar & Ors. (supra)**, do work in favour of the petitioner concerned, and especially when only upon theirs made workable vis-a-vis the petitioner, thereby the purpose of acquisition would become rendered workable, which is also the intent of the present acquisition.

119. Moreover, thereby the constitutional right of property as envisaged in Article 300 A, thus would become fully endowed to the petitioner, whereas, the said endowed constitutional right to property rather becoming untenably snatched through the passing of the impugned resumption order.

120. In addition, since the Act MoU i.e. the MoU (Annexure P-1) which is drawn between the concerned pursuant to the provisions of Section 41 of the Act of 1894, but did not confer absolute right, title and interest vis-a-vis the alienor i.e. the petitioner-Company. However, when right, title and interest over the subject lands became invested in the petitioner-Company through a registered deed of conveyance becoming executed, rather between the concerned, thus before the Sub

2025:PHHC:059055-DB



Registrar concerned. Therefore, when the registered deeds of conveyance became executed but post the execution of the Act MoU dated 14.10.1993, execution whereof occurred, rather pursuant to the invocation of Section 41 of the 'Act of 1894', therebys, the condition(s) set forth therein, become subsumed therein i.e. in the registered deed of conveyance.

121. Be that as it may, the effective impact of the execution of the apposite registered deed(s) of conveyance, dehors a condition being set forth therein, that the undertaking(s) of the industrial activities on the subject lands, rather being subject to the decision made in **Amrik Singh's case (supra)**, though wherefroms, thus was to be purportedly made, the computation of period of ten years, rather for commencement of the industrial activity, over the acquired lands, but naturally, is that, the said condition ill tinkers with and also abridges rather the conferment of absolute right, title and interest over the subject lands vis-a-vis the petitioner.

122. In consequence, irrespective of the said decision, i.e. in **Amrik Singh's case (supra)** being made in the year 2011, yet the acquisition of absolute right qua the acquired property, thus by the petitioner concerned, through the validly executed registered deeds of conveyance, in its favour, but cannot become ill tinkered, through disproportional time lines, becoming projected vis-a-vis the fundamental right of the petitioner to practice the avowed business or profession, over the subject lands. More especially, when the present project is a mega sized project, wherebys, therethroughs rather there would be ill

2025:PHHC:059055-DB



impignings qua the said endowed fundamental right vis -a-vis the present petitioner.

123. Reiteratedly, the further sequel thereof, is that, since therebys i.e. from the registered deed(s) of conveyance, thus the fundamental right to practice businesses and profession over the subject lands, rather became conferred upon the petitioner-Company. The said conferred fundamental right was also not required to be ill tinkered with, through unnecessary time lines conditions being made rather for developmental activities being completed over the subject lands, especially when for the reasons assigned hereinabove, the non undertakings thereovers of developmental activities, thus was on account of evident well made deterrences (supra), besides was on account of the supra apathy of the State/District Administration, thus to lend able covenanted assistance(s) to the petitioner-Company.

124. Since there are no reasonable restrictions, thus for therebys well abridging, the supra conferred fundamental rights vis-a-vis the petitioner concerned, rather to practice the avowed business and profession over the subject lands. Conspicuously also, when the apposite reasonable restrictions, become eased through permission for change of land users becoming granted on 10.10.2017, NOC becoming granted by the Forest Department on 13.11.2018 and Environmental Clearance becoming granted on 29.07.2020. Resultantly also when therebys the purpose of acquisition becomes advanced besides also when therebys purposeful effectivity is to be fully assigned to the fundamental right of the present petitioner, to carry the avowed business

2025:PHHC:059055-DB



and profession over the subject lands, whereovers, absolute right as perfect owner became conferred upon the petitioner concerned. As such, the said fundamental right is to be ensured to be further advanced through all further requisite clearances and extensions becoming granted rather for therebys the purpose of acquisition becoming advanced.

125. Moreover, reiteratedly, since the apposite lack of undertakings of development activities over the subject lands, thus was also on account of permission for change of land user, NOC by Forest Department, Environmental Clearance becoming as unfolded by the hereinafter extracted table, rather belatedly granted, respectively in the year 2017, 2018 and 2020,. Moreover, when the accordings of the said permissions but were a necessary precursor for the developmental activities becoming carried over the subject plots. Assumingly, if there is yet any stricto sensu imposition of the apposite condition(s), as relate to industrial activities becoming undertaken, over the subject lands, thus within the supra ten years, therebys too, the said period was to be computed from the year 2017/2018/2020, period whereof, has not yet elapsed.

Sr. No.	Nature of approval	Initial date of application	Final date of application after complete compliances	Granted on	Time taken by the statutory authorities
1.	Permission for change of land use.	23.06.2016	11.09.2017	10.10.2017	30 days
2.	Submission of layout plan for 462.1552 Acres for approval	08.11.2017	22.06.2018	23.01.2019	7 months
3.	NOC by Forest Department	12.11.2018	N.A.	13.11.2018	01 day

2025:PHHC:059055-DB



4.	Environmental Clearance	2018	26.02.2000 29.05.2020	29.07.2020	02 months
5.	Exemption under Section 44 (2) of PAPRA except Section 5 (11), 6 to 20, 32 and 36 to 39 thereof	23.01.2019	N.A.	09.04.2019	02 months and 17 days
6.	Zoning Plan	23.04.2019	20.03.2020	01.06.2020	02 months and 12 days
7.	Consent to establish	N.A.	N.A.	08.07.2020	

126. Be that as it may, reiteratedly, there appears to be gross un-mindfulness, thus in the makings of the computation of the apposite period, rather in respect of those apposite plots, other than the industrial plots whereovers industrial activity(ies) are extantly underway. The reason for stating so emanates, from the factum, that in respect of petition(s) (CWP-2445-4572-4600-4603-4671-4748 of 2025) the requisite clearances were granted by the departments concerned, wherebys, the respondents concerned adhered to the covenants, as made in the conveyance deeds (supra) appertaining to the requisite assistance(s) being purveyed to the petitioner(s) concerned, whereafters, industrial activities became undertaken thereovers.

127. However, the reason in respect of the non undertakings of the industrial activities, on some other subject plots, despite elapsing a period of ten years elapsing since 2017, rather as revealed by the table extracted hereinabove, thus becomes etched in the premise, qua permissions for change of land user becoming granted on 10.10.2017, NOC by Forest Department becoming granted on 13.11.2018, Environmental Clearance becoming granted on

2025:PHHC:059055-DB



29.07.2020. Therefore, reiteratedly therebys too, the computation of the apposite period of ten year, thus was to be computed from the date when the aforesaid permissions became granted to the petitioner-Company.

128. It appears that in respect of certain plots, belated permissions were granted, whereas, in respect of other plots rather prompt clearances were granted, wherebys, the respective prompt grantings of permissions and belated grantings of permissions, but evidently display qua the respondent concerned, but practicing discrimination vis-a-vis those plots in respect whereof belated permissions were granted, despite the said permissions being endowed to others, rather in contemporaneity to the execution of the MoU.

129. The further inference which becomes triggered from the supra, is that, any acquiescence as made by the representative of the petitioner-Company concerned, but naturally appertains to plots, other than the plots in respect whereof, thus in terms of the supra extracted table, rather permissions were granted respectively on 2017, 2018 and in 2020, and, wherefroms the relevant period of ten years, even if assumingly, has some relevance, rather is to be computed. Resultantly therebys too, there was no endowment of any right in the PUDA, to through the present impugned order declare, that no industrial activity has been taken, whereas, the undertaking of the industrial activities concerned, but was subject to all the covenanted assistance(s) being purveyed to the petitioner, whereas, the said covenanted assistance(s) being evidently not lent to the petitioner.

2025:PHHC:059055-DB



130. Since it has also been acquiesced by the hereinabove underlined covenants', besides when also it becomes acquiesced from the hereinabove extracted relevant paragraphs No. 9 (II), (III) and (IV), as occur in the impugned order, that encumbrance free delivery of possession, rather could not be made to the petitioner-Company, thus in respect of the entire subject lands. Moreover, since the import of the said echoings, is that, the respondent was required to be lending assistance(s) to the petitioner company concerned, thus to ensure the removals of the apposite hindrances or obstacles, as became evidently created over the subject lands by the land losers concerned, whereby, but naturally there would be delivery of encumbrance free possession to the petitioner-Company, for thereby it undertaking industrial activities over the subject lands.

131. However, reiteratedly when for reason supra, no effective assistance(s) was purveyed by the administration, thereby, the impact thereof, is that, thereby the respondents not only acquiescing vis-a-vis their apathy vis-a-vis the removals of the hindrances and obstacles, as became evidently created, thus against the petitioner-Company, rather assuming encumbrance free possession over the subject lands. Moreover, thereby also, to the insightful, objective considered mind of this Court, there is complete lack of adherences vis-a-vis the apposite covenants, as become enjoined upon the respondent, thus to render all possible assistance(s) to the petitioner, to ensure qua delivery of encumbrance free possession of the subject lands, becomes made to it, besides there is also lack of assistance(s) to the petitioner concerned,

2025:PHHC:059055-DB



qua prompt grantings of all the requisite permissions, for therebys prompt industrial activities becoming undertaken thereovers i.e. over the subject lands.

132. Even otherwise, it is declared in the impugned order, that the site given to M/s SIEL for setting up of an Industrial Estate, Captive Thermal Power Plant and Chemical Manufacturing Unit, covering over 596.75625 acres of land, alongwith structures existing on the subject plots, would be resumed, with immediate effect, without payment of any compensation or any other dues etc. to M/s SIEL. The effect thereof, is that, therebys the respondent also rather acquiescing, that over such structures some industrial activity was underway, wherebys, the respondent is forestalled, from arguing that, no industrial activity ever became undertaken over the subject lands. Moreover, therebys, it also appears that some construction(s) were raised and the said initiated construction(s), thus could not be completed owing to the supra hindrances and obstacles being evidently created, vis-a-vis the completion of the subject project(s). Since no covenanted assistance(s) also became lent to the present petitioner by the administration, rather for easing the said evidently created hindrances and obstacles, therebys also the PUDA cannot ill escheat the subject lands.

133. **The said espoused stand by the respondent is of no consequence, rather it has an telling ill impigning effect, upon the fundamental right of the petitioner, to as a lawful owner of the subject lands, to utilize the apposite property, through all the requisite clearances inclusive of clearances to the building plans,**

2025:PHHC:059055-DB



thus becoming granted by the competent authority, besides all the requisite permissions including all purposeful statutory extensions, thus for facilitating the completion of industrial activities over the subject plots, thus also being granted.

134. The said be ensured to be accorded within a fortnight from today.

135. The supra extension rather for all the supra detailed reasons, be granted for a period of three years, since the expiry of the last extension commencing from 05.10.2021 till 04.10.2024. In other words, the requisite extension be granted from the date of passing of this order and shall last upto three years hereafter.

136. Additionally, the PUDA has remained oblivious to the fact, that the resumption order, is an completely ill thought order, as therebys the PUDA has taken to ill assume ownership of the subject lands, which otherwise it could not assume, unless the registered deed of conveyance rather became cancelled through a decree in the said regard becoming passed by the learned civil Court of competent jurisdiction. The PUDA, however, has thus, through the passing of the impugned order, but ill arrogated onto itself the jurisdiction of the civil Court of competent jurisdiction.

Final order of this Court.

137. In aftermath, this Court finds merit in the writ petition(s) and for all the reasons stated above, the same become allowed and the impugned order dated 03.01.2025 is quashed and set aside.

2025:PHHC:059055-DB



138. All the requisite permission(s) including clearances to the building plans/revised plans, if any, besides extension(s) to the petitioner-Company either through itself or through subsequent industrial entrepreneur, for facilitating the completion of industrial activities over the subject plots, thus as stated (supra) be forthwith granted to the concerned. The supra permissions besides extension(s), as stated (supra) shall be granted to the petitioner or to the subsequent industrial entrepreneur but within a fortnight from today.

139. As stated (supra), the said extension be granted for a period of three years, since the expiry of the last extension commencing from 05.10.2021 till 04.10.2024. In other words, the supra requisite extension be granted from the date of passing of this order and shall last upto three years hereafter.

140. In case, the said asked for assistance(s) is not purveyed to the concerned, therebys, the said non purveying therebys would work as a good ground vis-a-vis the petitioner-Company or the concerned industrial entrepreneur, thus to ask for further extensions.

141. Moreover, the covenanted assistance(s), inasmuch as, to avoid/counter the ill trespassings, if any, on the subject lands, be also purveyed to the petitioner(s) or to the subsequent industrial entrepreneur, thus, by the Administrative authorities concerned, as and when asked for by it/them.

142. Further, the petitioner herein or the subsequent industrial entrepreneur is directed, to, thus in terms of clause II (2) of the MoU

2025:PHHC:059055-DB



dated 14.10.1993, forthwith carry out the requisite developmental activities over the subject lands.

143. Moreover, the petitioner(s) herein or the subsequent industrial entrepreneur are also directed to, in terms of clause 3 and clause II (4), of MoU dated 14.10.1993, clauses whereof become re-extracted hereinafter, thus within the supra extended period, rehabilitate such persons/families whose dwelling units may have been shifted elsewhere for setting up the subject project, besides offer employment to one able bodied persons of each family whose dwelling unit has been shifted, thus during the course of acquisition of the subject lands.

3. *Help, in consultation with SIEL/owners of the IE, in proper rehabilitation of such persons/families whose dwelling units may have to be shifted for setting up this Project. The cost of such rehabilitation would be entirely borne by SIEL/the owners of the IE.*

II (4). *Make one time offer of employment to one able bodied person of each such family whose dwelling unit has to be shifted during the course of acquisition of land by the State Government for the purpose of development of IE.*

144. Since the main cases itself have been decided, thus, all the pending applications, if any are disposed of as such.

145. A photocopy of this order be placed on the file of other connected cases.

(SURESHWAR THAKUR)
JUDGE

(VIKAS SURI)
JUDGE

06.05.2025
kavneet singh

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