

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

**C.W.P. No.7177 of 2000**  
Date of decision: 12.1.2015

**Roop Lal & another**

-----**Petitioners**

V/s

**Chandigarh Administration through Adviser to the  
Administrator & others.**

-----Respondents

**CORAM:- HON'BLE MR. JUSTICE HEMANT GUPTA  
HON'BLE MR. JUSTICE HARI PAL VERMA**

1. Whether reporters of local newspapers may be allowed to see judgment?
2. To be referred to reporters or not?
3. Whether the judgment should be reported in the Digest?

Present:- Mr. G.C. Dhuriwala, Advocate  
for the petitioners.

Ms. Deepali Puri, Advocate  
for respondents.

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**HARI PAL VERMA, J.**

Through the instant writ petition, the petitioners have challenged the order dated 25.6.1996 (Annexure P5) whereby the respondent no.3 while exercising the powers of Estate Officer vested under the Capital of Punjab (Development and Regulation) Act, 1952 (for short, "the 1952 Act") has ordered withdrawal of the letter of intent issued in favour of the petitioners in respect of booth No.350, Sector 19-C, Chandigarh. Challenge has also been

laid to the order dated 4.12.1998 (Annexure P6) and the order dated 31.5.2000 (Annexure P7) whereby the appeal and revision petitions, respectively, against the order dated 25.6.1996 (Annexure P5) have been dismissed.

Briefly stated, the facts of the case are that the petitioners were running petty business in Rehri Market, Sector 19-C, Chandigarh since the year 1976 and unfortunately, a fire incident took place in the Rehri Market on 6.5.1982 and the goods of the petitioners were burnt in the said fire incident. The petitioners were running their business as licensees, granted by the Estate Officer, UT, Chandigarh. Thereafter, another fire incident took place on 9.4.1993 and the petitioners were in exclusive possession of their *phari* HL-14. After a survey conducted by the Estate Officer, a list of occupants was prepared and name of the petitioner no.1 appeared at serial No.193 of the list published on 17.4.1993. The petitioners were issued letter of intent dated 3.5.1993 (Annexure P1). After completing all the formalities, the petitioner deposited Rs.10,557/- on 21.7.1995. Earlier to it, on the direction of the Estate Officer, an amount of Rs.3,000/- was also deposited by the petitioners by way of demand draft towards earnest money for construction of booths. The site No.350, Sector 19-C, Rehri Market was jointly allotted in the names of the petitioners on the basis of the report of the Screening

Committee vide letter of intent dated 3.5.1993 and 25% of the amount was required to be deposited within 30 days from the date of allotment. However, the same could not be deposited, as there was some dispute between the petitioners in Civil Court and it is only after the compromise that the money was deposited on 23.5.1995. Since the money was not deposited within the stipulated period of 30 days, the Estate Officer cancelled the allotment on 27.7.1994. The order of cancellation was challenged by way of appeal. On appeal, as preferred by the petitioner no.1 under Rule 9A of the Chandigarh Lease Hold of Sites and Building Rules, 1973, the delay in depositing the 25% of the premium in respect of the site in question was condoned by the Appellate Authority vide order dated 16.5.1995 (Annexure P3) with a direction to the Estate Officer to accept the amount with 10% penalty on the said amount and to allot the demised booth to the petitioners. Pursuant to the order passed in appeal, the Estate Officer vide letter dated 10.8.1995 (Annexure P-4 ), directed the petitioners to take over the possession of the booth/site No.350, Sector 19-C, Chandigarh.

However, vide order dated 25.6.1996 (Annexure P5), respondent no.3 while exercising the powers of Estate Officer vested under the Capital of Punjab (Development and Regulation) Act, 1952 (for short, “the 1952 Act”)

ordered withdrawal of the letter of intent dated 3.5.1993 issued in favour of the petitioners in respect of booth No.350, Sector 19-C, Chandigarh on the ground that as the allottees had not completed the necessary formalities and as such, failed to take over the possession of the site in question. The letter of intent was also ordered to be withdrawn on the ground that the petitioners had raised illegal construction on the said booth without taking physical possession of the site in question from the office. In this manner, on account of breach of terms and conditions of the letter of intent, the withdrawal order dated 3.5.1993 was passed.

The aforesaid order dated 25.6.1996 (Annexure P5), whereby the letter of intent was ordered to be withdrawn, was challenged by way of an appeal under Section 10 of the 1952 Act read with Rule 26 of the Allotment/Transfer of Built up Booths in any Sector on Lease and Hire-Purchase basis in Chandigarh Rules, 1991, which was dismissed by respondent no.2 vide order dated 4.12.1998 (Annexure P6) with the observations that as per Clause 8 of the letter of intent dated 3.5.1993, the allottees were required to take over the possession of the site from the Estate Officer after completing the necessary formalities, but the petitioners have failed to complete the necessary formalities and without taking possession of the

site in question they have raised illegal construction on the said booth.

The aforesaid order dated 4.12.1998 (Annexure P6) passed in appeal was made subject matter of challenge by way of revision petition before respondent no.1. However, the said revision petition was also dismissed vide order dated 3.5.2000 (Annexure P7) on the ground that as per Clause 8 of the letter of intent, the allottees were required to take physical possession of the site in question from the Estate Officer after completing the necessary formalities but the petitioners have failed to do so and have also violated the conditions of the letter of intent and therefore, the order of withdrawal of letter of intent was fully justified.

In the aforesaid circumstances, the petitioners have filed the present writ petition challenging the order of withdrawal of letter of intent dated 25.6.1996 (Annexure P5) as well as the order dated 4.12.1998 (Annexure P6) passed in appeal and order dated 31.5.2000 (Annexure P7) passed in revision.

On notice having been issued, the respondents have filed their written statement taking various pleas including that the petitioners have failed to comply with the terms and conditions of the letter of intent and that no concluded contract has taken place between the parties

and further that the legal relations between the parties have not matured and thus, the finding of fact, as recorded by the Appellate Authority as well as the Revisional Authority is not required to be interfered, as the competent authority has rightly withdrawn the letter of intent.

We have heard learned counsel for the parties.

Learned counsel for the petitioners has argued that the respondents have failed to disclose the formalities required to be completed on the part of the petitioners. While drawing our attention towards para 8 of the pleadings in the writ petition, it is argued that the Estate Officer has mentioned in the order of cancellation of allotment regarding non-completion of formalities and construction of roof on the allotted site without taking possession. However, no such opportunity has been given to the petitioners before cancellation of the allotment. Interestingly, in the reply submitted to the corresponding paras, the respondents have not denied that all the formalities have been completed.

On the other hand, learned counsel for the respondents has argued that the letter of intent was rightly withdrawn, as the petitioners have failed to comply with the terms and conditions of the letter of intent and no concluded contract has taken place between the parties. It is further argued that the petitioners have failed to

complete the required formalities and have raised construction without taking physical possession of the site in dispute from the respondents.

Having heard the rival contentions of the parties, we are of the considered view that the present writ petition deserves to be allowed. Admittedly, in para 8 of the written statement, the assertion of completion of formalities has not been denied. It is nowhere mentioned in the written statement as to what required formalities have not been completed by the petitioners. Cancellation of site has to be resorted as a last resort. We may refer to a judgment of the Hon'ble Supreme Court in **Teri Oat Estates (P) Ltd. Vs. U.T. Chandigarh & others (2004) 2 SCC 130**, wherein it has been held that resumption or a cancellation of lease should be resorted to as a last resort.

Accordingly, the present writ petition is allowed and the order of withdrawal of the letter of intent dated 25.6.1996 (Annexure P5) issued in favour of the petitioners is quashed. Resultantly, order dated 4.12.1998 (Annexure P6) passed in appeal as well as order dated 31.5.2000 (Annexure P7) passed revision are also set aside.

Further, we direct the respondents to calculate and communicate the outstanding amount, requiring the petitioners to deposit the amount in question. The respondents shall also communicate the formalities, if any,

required to be completed by the petitioners within one month from today. On issuance of such letter, the petitioners shall deposit the amount claimed and shall complete the formalities, if any, within two months thereafter. With these observations, the writ petition is allowed.

**( HEMANT GUPTA )**  
**JUDGE**

**( HARI PAL VERMA )**  
**JUDGE**

**January 12, 2015**  
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