

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

RSA-4485-1999 (O&M)

Reserved on :-30.10.2025

Date of Pronouncement:-06.11.2025

M/s Haryana Chemicals

... Appellant

Versus

Haryana State Industrial Development Corporation and another

... Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Argued by :-

Mr. Amit Jain, Senior Advocate with
Mr. Varun Parkash, Advocate and
Ms. Aeshna Jain, Advocate
for the appellant.

Mr. Prateek Mahajan, Advocate with
Ms. Priyadarshani, Advocate
For the respondents.

VIRINDER AGGARWAL, J.

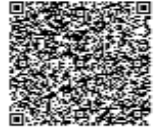
1. The appellant/plaintiff has instituted the present Regular Second Appeal (hereinafter referred to as “RSA”) under Section 41 of the Punjab Courts Act, 1918, assailing the judgments and decrees rendered by the Courts below. The appeal is primarily founded on the contention that the findings recorded by the learned Sub-Judge Ist Class, Gurgaon and the learned Additional District Judge, Gurgaon, are contrary to law, founded upon a manifest misappreciation of evidence, and have occasioned substantial prejudice to the appellant, thereby warranting the intervention of this Court in exercise of its appellate jurisdiction under the said provision.



2. For the sake of clarity and convenience in the discussion, the parties shall hereinafter be referred to as the plaintiff and the defendants, corresponding to their respective status before the learned Trial Court. The salient and material facts forming the foundation of the present proceedings, which are essential for an informed adjudication of the issues, are briefly narrated as follows:-

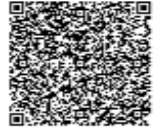
“M/s Haryana Chemicals, the plaintiff-appellant, has been engaged in the manufacture of inks, polishing compositions, and anodised lithographic aluminium plates at Plot No.60, Udyog Vihar, Gurgaon since 5 May 1984. Pursuant to an advertisement issued by defendant No.1, the appellant applied on 25 June 1985 for an additional plot to expand its manufacturing activities and, as directed, deposited ₹27,200 on 25 August 1987 towards 10% of the cost of a 2000 sq. meter plot. Despite the deposit, no allotment was made for a considerable period. Later, by letter dated 18 December 1987, the appellant was asked to apply afresh to the Haryana State Industrial Development Corporation (HSIDC), whereupon it submitted a fresh application with a total deposit of ₹35,000.

Subsequently, vide provisional allotment letter dated 6 June 1989, the appellant was allotted Plot No.49 measuring 1000 sq. meters in Udyog Vihar, Phase-IV, Gurgaon, and duly complied with all conditions. On a further request, the defendants allotted another plot, No.136 in Phase-I, Gurgaon, vide letter dated 25 July 1989, which the appellant accepted



through communication dated 30 July 1989. The appellant alleges that officials of the defendants demanded ₹1,00,000 as illegal gratification and, upon refusal, threatened to cancel the allotment of Plot No.49. Thereafter, vide letter dated 9 November 1989, the defendants stated that Plot No.136, Phase-I was allotted in lieu of Plot No.49, though no such condition existed earlier. The appellant contends that the said action is arbitrary, illegal, and without authority, and that both allotments ought to subsist. Aggrieved by the cancellation of Plot No.49, the appellant instituted the present suit seeking declaration, injunction, and restoration of both plots.”

3. Upon notice, the defendants appeared and filed joint written statements stating therein that although Plot No.49, Phase-IV, Udyog Vihar, Gurgaon had initially been offered to the plaintiff-appellant vide provisional allotment letter dated 6 June 1989, the said allotment was subsequently modified at the instance of the plaintiff. It was asserted that upon the plaintiff's representation that Plot No.49 was situated at a considerable distance from its existing industrial unit at Plot No.60, Phase-I, Udyog Vihar, Gurgaon, the competent authority, as a matter of administrative convenience and to accommodate the request, allotted Plot No.136, Phase-I, Udyog Vihar, Gurgaon in substitution of Plot No.49. The defendants categorically denied the plaintiff's assertion that Plot No.136 was allotted in addition to, rather than in lieu of, Plot No.49. They further repudiated all allegations regarding any purported demand of illegal gratification by their



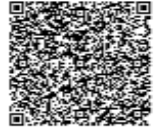
officials, terming the same as baseless, false, and intended solely to malign the corporation and its officers.

4. Upon a meticulous examination of the pleadings and the respective contentions advanced by the parties, Court has been pleased to frame the following issues for adjudication, with a view to securing a precise, comprehensive, and effective determination of the matters in controversy:-

- (1) Whether the order of the defendants cancelling allotment of Plot No.49 in favour of the plaintiff is illegal, null and void and not binding upon its rights?OPP.
- (2) Whether the plaintiff has no Locus standi to file the present suit OPD.
- (3) Whether the plaintiff is estopped by its own acts and conduct from bringing this suit?OPD.
- (4) Whether the suit has not been properly valued for the purposes of court fee and jurisdiction? OPD.
- (5) Whether the claim of the plaintiff is time barred?OPD
- (6) Whether the suit deserves to be dismissed with special costs, If so to what extent?OPD.
- (7) Relief.

5. The parties were afforded ample opportunity to adduce evidence in support of their respective claims and defense. Upon the conclusion of evidence and after hearing learned counsel at length, the learned Sub-Judge Ist Class, Gurgaon having carefully considered the pleadings, material on record, and submissions advanced, dismissed the suit and observed that “*In view of the foregoing findings, the plaintiff’s suit stands dismissed with costs.*

Let a decree be drawn accordingly.” Aggrieved by this judgment and decree,



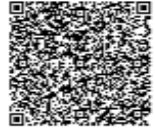
an appeal was filed before the learned Additional District Judge, Gurgaon, which was also dismissed by observing that *“In view of the foregoing, the findings of the learned Trial Court on Issue No.1 are free from infirmity and stand affirmed.”*

6. The appellant has instituted the present appeal assailing the concurrent judgments and decrees rendered by the learned Courts below. The appeal having been duly admitted, notice was issued to the respondents, who entered appearance through counsel and advanced arguments. Pursuant thereto, the complete record of the subordinate Courts was requisitioned for comprehensive examination and judicious adjudication of the matter.

7. I have heard the learned counsel for the parties at length and bestowed my anxious consideration upon their respective submissions in light of the pleadings, the evidentiary material on record, and the concurrent findings returned by the Courts below. The record has been meticulously perused to assess the rival contentions and to determine *‘whether the impugned judgments and decrees suffer from any error apparent on the face of the record, legal infirmity, procedural irregularity, or manifest perversity so as to warrant interference in the limited exercise of appellate jurisdiction’?*

8. With regard to the scope of a second appeal, it is now a well-settled proposition of law that, in Punjab and Haryana, second appeals are to be treated as appeals under Section 41 of the Punjab Courts Act, 1918, and not under Section 100 of the Code of Civil Procedure. In this context, reliance may be placed on the judgment of the Supreme Court in

Pankajakshi (Dead) through LRs and Others v. Chandrika and Others,

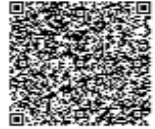


(2016) 6 SCC 157, followed by *Kirodi (since deceased) through LR v. Ram Parkash and Others*, (2019) 11 SCC 317, and *Satender and Others v. Saroj and Others*, 2022 (12) Scale 92. In view of the legal position established by these decisions, no substantial question of law arises that necessitates framing in the present appeal.

9. The appeal gives rise to the following “*quaestio juris substantialis*” for determination by this Court:-

- i. Whether the allotment of Plot No.136, Phase-I, Udyog Vihar, Gurgaon, was made in addition to and not in substitution of Plot No.49, Phase-IV, Udyog Vihar, Gurgaon, in favour of the appellant.

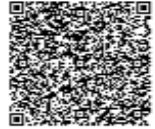
10. The learned counsel for the appellant has assailed the findings of the Courts below on the ground that the evidence on record has been misread and misconstrued. It is urged that the appellant had, from the outset, applied for allotment of 2000 square meters of land for expansion of its industrial undertaking, and the subsequent allotment of two plots of 1000 square meters each was in consonance with that application. It is further contended that the letter of allotment pertaining to Plot No.136, Phase-I, Udyog Vihar, Gurgaon, contains no stipulation indicating that the said plot was allotted in lieu of Plot No.49, Phase-IV. The learned counsel has also submitted that the Courts below have erred in holding that the allotment of Plot No.136 stood cancelled, as the said issue was never the subject matter of the suit. On these premises, it is contended that the impugned judgments and decrees suffer from patent illegality and perversity and therefore deserve to be set aside.



11. Conversely, learned counsel for the respondents has supported the concurrent findings of the Courts below, submitting that the impugned judgments suffer from neither illegality nor infirmity. It is contended that Plot No.136, Phase-I, Udyog Vihar, Gurgaon, was allotted to the appellant expressly in substitution of Plot No.49, Phase-IV, as the appellant had represented that Plot No.49 was situated at a considerable distance from his existing industrial unit and had requested for allotment of land measuring 2000 square meters in proximity thereto. It is further urged that the appellant failed to convey acceptance of the allotment of Plot No.49 within the stipulated period of thirty-five days, and instead, vide letter dated 12 June 1989 (Ex.D4), declined the said allotment. Accordingly, the cancellation of Plot No.49 and subsequent allotment of Plot No.136 were in due compliance with the governing terms and procedure. The Courts below, having duly appreciated the evidence and applied correct legal principles, have returned findings that are well-reasoned and warrant no interference in appellate jurisdiction.

12. I have meticulously examined the record. Exhibit P5, being the copy of the provisional letter of allotment pertaining to Plot No.49, constitutes an offer issued by the respondent—Corporation. Terms and conditions are embodied therein, particularly Clause IV, which reads as under:-

4. *You are further requested to send us your acceptance to the above conditions of Pd, and condition us whether you finance the project from your own resources, within 35 days of the issue of this letter. In the event of non-receipt*



of acceptance and information of means of financing, it shall be presumed that you are not interested in the allotment of the aforesaid plot offered to you and the offer shall be treated as withdrawn.

13. Under Clause IV of the provisional letter of allotment, the appellant–plaintiff was obligated to convey acceptance of the terms and conditions within thirty-five days from the date of its issuance. Admittedly, no such acceptance was ever furnished by the appellant–plaintiff. On the contrary, a communication, the copy whereof is exhibited as Ex.D4, was addressed by the appellant, the contents of which have been duly reproduced by the learned Sub-Judge Ist Class, Gurgaon, in paragraph 16 of the impugned judgment, and read as under:-

“To

*Shri Dhandender Kumar IAS
Managing Director
Haryana State Industrial Development Corpn.Ltd
SCO 40-41, Sector 17-A,
Chandigarh.*

Sub: Allotment of Industrial plot at Udyog Vihar for the expansaion of our present manufacturing activities.

Dear Sir,

We would like to refer to your provision al letter of allotment bearing No HS IDC/EO/89/106 dated 6-6-89. While we convey our thanks for the same we are to invite your kind attention to the injustice done to us in the allotment of plot. The fact of the case is given in the following paragraphs :-

- (a) *We had applied for allotment of an additional plot on 25.6.85 for the expansion of out present manufacturing activities at 60 Udyog Vihar, Gurgaon four years back and at your instance we deposited a sum of Rs.27,200/- towards the initial money i.e. 10% cost of the 2000 sq. Mts plot 136/- per sq.*



Mtr. on 25.8.87 Prevailing at that time and date. After long persuasion we were asked to apply afresh in response to the advertisement in the press.

(b) Left with no alternative we applied afresh alongwith an amount of Rs.7800/- making a total of Rs.35000/- towards the cost of 10% of a 2000 sq. Mts. of plot per sq. Mtr. 5.175/-

Sir, we have always been requesting for a plot of 2000 sq. Mtrs, adjacent to or near to our existing unit at 60. Udyog Vihar in Phase I as we needed this plot for the expansion of out present activities, we of are very sorry to state that neitner of our request was given due consideration. We are allotted a plot of only 1000 sq. Mtr and that in Phase-IV which is approximately 2-3 Kilometer away from our existing unit. You can very well imagine how difficult it would be to manage both the places. The very purpose of our allotment has been defeated.

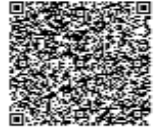
We may add for your information that plot of 2000 sq. mtrs were available in phase I itself and the No.s of these plots were mentioned to the allotment committee verbally and in writing. We were also given assurance that we shall be allotted the required plot of 2000 sq. Mtrs in Phase-I when our Shri S.R. Gupta met the concerned authorities. We were, therefore, very much surprised to receive the above allotment letter.

You will appreciate, Sir, what difference it would have made to a fresh allottee whether he is allotted plot in Phase I or Phase IV but for us it is of great significance that we are allotted a plot of required measurement in Phase I near to our existing unit for convenient management,

In view of the position explained above, we request you kindly to consider our genuine request for allotment of a 2000 Sq. Mtr. plot in Phase-I, Udyog. Vihar.

May we hope for an early and favourable decision. Thanking you,

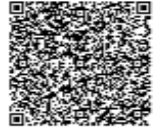
*Yours faithfully
for Haryana Chemicals*



sd/-
Proprietor.”

14. The learned Sub-Judge Ist Class as well as the learned First Appellate Court have rightly held that there was no acceptance of the provisional allotment letter in respect of Plot No.49. On the contrary, the contents of letter Ex.D4 clearly demonstrate that the appellant–plaintiff had declined the said allotment. The language employed therein unequivocally reflects the appellant’s dissatisfaction with the allotment of a 1,000 square meter plot in Phase-IV, situated approximately 2–3 kilometers from its existing industrial unit, on the ground that managing operations at two separate locations would defeat the very purpose of expansion. The appellant further asserted that the officers of the respondent–Corporation had assured allotment of a 2,000 square meter plot in Phase-I, Udyog Vihar, and accordingly requested that such plot be allotted in that area.

14.1. This correspondence leaves no manner of doubt that the appellant was not seeking an additional allotment of 1,000 square meters to make up any deficiency in area but was, in fact, requesting an alternative allotment of 2,000 square meters in Phase-I. It was pursuant to this representation that Plot No.136, measuring 1,000 square meters in Phase-I, was subsequently allotted to the appellant. Although the letter of allotment does not explicitly record that Plot No.136 was granted in substitution of Plot No.49, the sequence of correspondence and events clearly establishes that the allotment of Plot No.136 followed the appellant’s rejection of Plot No.49 vide Ex.D4. While the appellant’s request for a larger plot of 2,000 square meters was not acceded to, his request for allotment in Phase-I was accepted. Upon the appellant’s acceptance of the allotment of Plot No.136

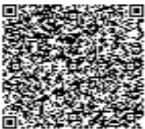


vide letter dated 25 August 1989, the respondent–Corporation duly clarified that the said allotment was not an additional one but was made in lieu of Plot No.49, Phase-IV, Udyog Vihar, Gurgaon.

15. The learned First Appellate Court has rightly placed reliance upon the judgment of the Hon’ble Supreme Court in *Haryana State Industrial Development Corporation Ltd. v. Inderjeet Sawhney*, AIR 1996 SC 2244, wherein it was held that a provisional letter of allotment does not confer any vested or enforceable right upon the allottee unless and until a final allotment letter is issued. In the present case, no final allotment letter in respect of Plot No.49 was ever issued in favour of the appellant–plaintiff. The provisional allotment stood cancelled upon substitution of Plot No.136, Phase-I, Udyog Vihar, Gurgaon, which was allotted to the appellant in its place.

15.1. The findings recorded by both the Courts below are well-founded and suffer from no illegality or infirmity. They have rightly concluded that the allotment of Plot No.136, Phase-I, was made in lieu of Plot No.49, Phase-IV, and that the provisional allotment of Plot No.49 stood cancelled, particularly since the appellant had expressly declined the same through letter Ex.D4 and no final allotment was ever perfected.

15.2. With regard to the subsequent cancellation of Plot No.136, though not the subject matter of the present lis, the Courts below have merely recorded the factual position emerging from the evidence that the said allotment was later cancelled due to the appellant’s failure to comply with requisite formalities.



16. Having perused the record and considered the submissions advanced. In view of the foregoing discussion, the appeal is found to be devoid of merit and is accordingly **dismissed**.

17. Since the principal matter has been adjudicated and finally disposed of by this judgment, all pending miscellaneous application(s), if any, which are ancillary or incidental to the main proceedings, stand disposed of accordingly. No separate orders are required to be passed thereon.

06.11.2025
Gaurav Sorot

(**VIRINDER AGGARWAL**)
JUDGE

Whether reasoned / speaking?	Yes / No
Whether reportable?	Yes / No