



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

RSA-2470-1995 (O&M)

Date of Decision: 22.04.2026

THE HARYANA URBAN DEVELOPMENT

AUTHORITY AND ANOTHER

....Appellants

Versus

SHASHI BALA

...Respondent

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. Parminder Singh, Advocate
for the appellants.

Mr. Ashwani Gaur, Advocate
Ms. Shivangi Sharma, Advocate
for the respondent.

PARMOD GOYAL, J. (ORAL)

Appellants/defendants are aggrieved by judgment and decree dated 19.04.1993, passed by learned Sub Judge IInd Class, Karnal vide which suit for declaration challenging demand notice seeking additional payment towards price on account of enhancement of compensation to land owners issued by appellants/defendants was decreed and also by impugned judgment and decree dated 24.04.1995 passed by learned Additional District Judge, Karnal vide which appeal preferred by appellants/defendants against decree dated 19.04.1993 was also dismissed.

2. In the suit for declaration it was the case of respondent/plaintiff that plot No.98 measuring 500 square yards was allotted to predecessor-in-interest of respondent/plaintiff for an amount of Rs.34,020/- vide allotment letter dated 05.05.1979 on free-hold basis. The price was to be paid in installments. Subsequently, respondent/plaintiff purchased the said plot from original allottee by way of registered sale deed. That vide notice dated

25.07.1985 appellant/defendant No.1 had raised demand of additional price under Regulation 2(b) and 10 of Haryana Urban Development Regulation, 1978 read with Condition No.9 of the allotment letter asking respondent/plaintiff to pay the additional price at the rate of Rs.49.08 per square yards on account of enhancement of compensation by the Courts. Thereafter, vide letter dated 31.03.1986 respondent/plaintiff was further asked to deposit an amount of Rs.9,687.60/- at the rate of Rs.20/- per square yards and again vide letter dated 06.02.1987 respondent/plaintiff was again asked to deposit additional sum of Rs.11,431.40/- at the rate of Rs.23.60/- per square yards.

3. Respondent/plaintiff aggrieved by said notices had filed suit for declaration with consequential relief of permanent injunction asserting demand of additional price to be bad and illegal being arbitrary, rackless and against fundamental principles of natural justice besides being a *mala fide* exercise of power. It was asserted that compensation has not been spread proportionately on the entire area of scheme and appellants/defendants have not spread the enhanced amount of compensation on the area under commercial centre, school green belt and others. The respondent/plaintiff had accordingly sought declaration that demand of additional amount to be illegal.

4. The suit was contested and appellants/defendants had taken number of preliminary objections with regard to maintainability etc. It was asserted that vide civil writ petition No.1270 of 1985 dated 08.07.1986 land owners were held liable to pay additional amount of compensation paid by HUDA to the land owners whose lands were acquired.

5. In the present case, facts are not much in dispute. The

respondent/plaintiff was duly allotted residential plot on the basis of no-profit no-loss basis by appellants/defendants. It is also not in doubt that urban area was developed by appellants/defendants after acquiring land from original land owners. On enhancement of compensation by the Courts, impugned notices were issued seeking enhanced amount payable by plot holders in terms of allotment letter. As far as liability to pay enhanced amount is concerned, both the Courts have concluded that this cannot be faulted and in view of judgment titled **Charanjit Bajaj Vs. State of Haryana**, 1986 RRR 15, enhanced amount is payable by plot holders. However, it is the case of respondent/plaintiff that HUDA had discriminated by taking lesser amount from commercial properties and taking double the amount from residential plot holders. This case of respondent/plaintiff was accepted by both the Courts that HUDA is bound to distribute the cost amongst commercial plot holders and residential plot holders in equal proportion. Accordingly, suit of respondent/plaintiff was allowed to this extent and appeal preferred by appellants/defendants was dismissed.

6. In the present appeal the only issue is whether commercial plot holders and residential plot holders have to be treated equally and enhanced amount has to be demanded from them on equal basis. However, this very issue was duly considered and dealt with by this Court in **Charanjit Bajaj Vs. State of Haryana** (supra). Hon'ble Division Bench in said case had held as under :-

“4. It was next contended by the learned counsel for the petitioners that the stand of the HUDA is that they are working on the principle "no profit no loss" basis, that area has been reserved as commercial area and for nursery, that from the sale of some commercial sites, huge amount has been earned by HUDA and that

the enhanced amount of compensation paid by HUDA with regard to the commercial area is also being charged from the plot-holders. According to the learned counsel, the incidence of the enhanced amount of compensation regarding commercial area or for the area which has been shown "undetermined use" cannot legally fall on the plot-holders and that this incidence should be borne by HUDA itself. At the initial stage when this argument was advanced we felt very much impressed and were tentatively of the view that the incidence of the enhanced amount of compensation regarding the commercial area should not be borne by the plot-holders. Mr. Rajinder Singh, learned counsel appearing for HUDA, controverted the contention and submitted that its incidence was not falling on the plot-holders and was being borne by HUDA. This argument of the learned counsel did not find any support from the pleadings as in the written statement no specific averment had been made in this respect, with the result that Shri Rajinder Singh, prayed for time to enable him to file an additional affidavit. The prayer was allowed and written statement in the shape of additional affidavit, dated 31st March, 1986, was filed by Shri I.M Khunger, Deputy Secretary. To the plea taken in this written statement, a detailed reference has already been made in the earlier part of the judgment. In this written statement it has been clearly stated that for the purpose of calculation of additional price, the incidence on account of commercial area is not chargeable to the plot-holders. Any amount payable on account of enhanced compensation of the commercial area is debited to HUDA and is taken outside the purview of the calculations made for determining the additional price payable by the plot-holders, as is clear from the statement of account attached with the additional written statement filed. With regard to the area shown as "undetermined use", it is averred that wherever an area gets shown as "undetermined use", as it happened in the case of Sector 14, Gurgaon (which is presently maintained as an open space), the land use may not be changed and the area will not be utilised for any other purpose till the plan is modified and approved by the State Government. In view of this specific averment made in the written statement, no merit is left in the contention of the learned counsel for the petitioners. So far as the area which is shown as "undetermined

use" is concerned, the same has to remain as it is till the plan is modified and approved by the State Government. In this situation for this area the incidence of compensation must fall on the plot-holders. So far as the commercial area is concerned, it has been brought out clearly in the written statement, that the amount of enhanced compensation payable in respect of the commercial area is debited to HUDA and is taken outside the purview of the calculations made for determining the additional price payable by the plot-holders. In view of this specific averment it cannot justifiably be urged that the incidence of the enhanced compensation of the commercial area is falling on the plot-holders. Consequently, the contention of the learned counsel has no force."

7. From the above noted observations, it is clearly made out that right of HUDA to seek enhanced amount from plot holders was upheld. The right of HUDA to charge differential rate from commercial plot holders and that from residential plot holders was also upheld. Admittedly, commercial plots are sold by HUDA on the basis of auction and not on the basis of priority allotment or by way of drawing of lots, whereas in case of residential plots, HUDA was earlier allotting the plots on the basis of priority by drawing plots and price was fixed by HUDA and allotment was made at fixed price which was determined at the time of advertisement by HUDA. Therefore, it is clearly made out that these two categories are different and are not common, thus have to be treated differently. It is the case of HUDA that the amount is calculated equally in case of commercial plots as well as residential plots but in case of commercial plots since the plots are sold on the basis of auction and not on the basis of fixed price, HUDA had already earned profit from said auction and, therefore, enhancement is set off from profit received by HUDA, as was held by Hon'ble Division Bench in **Charanjit Bajaj Vs. State of Haryana** (supra).

8. I find merit in the contentions raised on behalf of appellants/defendants. The case of appellants/defendants is fully covered by judgment of this Court in **Charanjit Bajaj Vs. State of Haryana** (supra). HUDA has right to seek enhanced amount from residential plot holders. HUDA is within its right to seek different amount from residential plot holders and commercial plot holders. In case of commercial plot holders, HUDA is setting of enhanced amount from the amount already received by way of auction of commercial properties.

9. At this stage, learned counsel for respondent/plaintiff submitted that in pursuance of notices demanding Rs.45,658/- respondent/plaintiff had duly deposited Rs.40,000/- vide two receipts bearing Nos.159909 and 175321 on 09.06.1992 and 09.07.1992 respectively. In view of this fact, HUDA shall make due adjustment of the amount already received by it vide these receipts and may seek any left out amount by giving notice and calculations to the respondent/plaintiff. It is however, made clear that HUDA shall not charge any interest from date of decree till date on any due amount as during said period respondent/plaintiff was not held liable to pay the amount.

10. In view of above discussion, present appeal is accordingly allowed.

11. Pending application(s), if any, is/are disposed of accordingly.

22.04.2026
chiranjeev

(PARMOD GOYAL)
JUDGE

Whether Speaking/Reasoned	:	Yes/No
Whether Reportable	:	Yes/No