Government of UP

Industrial Development Department; Section -4

No. 5534/77-4-26/11 Appeal/26

Lucknow: Dated 24.10.2026

Rakesh Kumar ..... Revisionist

Vs

U.P. State Industrial Development Authority (UPSIDA) ..... Respondent

1. The instant revision petition under Section 41(3) of the Uttar Pradesh Urban Planning and Development Act, 1973, read with Section 12 of the Uttar Pradesh Industrial Area Development Act, 1976, has been filed by Sri Rakesh Kumar, challenging the cancellation orders (for Plot C-16 & C-17) dated 01-01-2026 (impugned order), passed by the Regional Manager, UPSIDA, in respect of industrial Plot Nos. C-16 and C-17, Industrial Area Utelwa, District Amethi.

2. Briefly stated, the facts of the case are that the Revisionist was allotted Plot No. C-16 for establishing a Masala Udyog unit, admeasuring 250 sq.m. and Plot No. C-17 for establishing a flavoured milk and drinking water unit, admeasuring 250 sq.m., at Industrial Area Utelwa, District Amethi on 08-08-2016. The lease deeds were executed between the parties on 07-09-2016 & 08-09-2016. However, the industrial units could not be made operational within the stipulated period as mentioned in the allotment/transfer letter. Consequently, the Respondent Authority issued several notices/demand notice dated 19-08-2017, 09-01-2019, 16-09-2020, 01-01-2021, 22-06-2021, 23-07-2021, 23-06-2022, 22-12-2022 and the final notice on 21-11-2025 requiring compliance with the conditions of allotment, including payment of outstanding dues, completion of construction, obtaining necessary approvals and commencement of industrial operations. Subsequently, the allotments were cancelled vide order dated 01-01-2026.

3. The Revisionist's contention is that application for approval of the building plans were submitted and that the requisite fire safety inspection was also conducted. However, the building plans were not approved by the Respondent Authority, which adversely affected the completion and operationalisation of the proposed industrial units.

4. The Revisionist has further submitted that the notices dated 21-11-2025 required payment of outstanding dues within 30 days but did not specify the exact amount payable. It has been contended that several representations and communications dated 02-12-2025, 04-12-2025, 05-12-2025, 12-12-2025 and 27-12-2025 were submitted requesting clarification regarding the outstanding dues and seeking additional time for compliance. The Revisionist has also alleged technical difficulties in accessing the online portal for payment and submission of applications.

5. It has further been submitted that the cancellation orders dated 01-01-2026 were received by the Revisionist only on 01-02-2026. Thereafter, representations were submitted requesting reconsideration of the cancellation and an opportunity to deposit the outstanding dues. The Revisionist has expressed willingness to clear the outstanding dues and has sought an extension of three months for payment and completion of the requisite formalities. The Revisionist has also prayed for waiver of interest, penal interest and time-extension charges.

6. On behalf of the Respondent Authority, it has been submitted that the plots in question were originally allotted to another allottee and was subsequently transferred in favour of the Revisionist. The Authority has submitted that the Revisionist was fully aware of the conditions governing the allotment and was required to comply with the same.

7. The Respondent Authority has further submitted that the Revisionist failed to fulfil the prescribed conditions within the stipulated period despite repeated notices and opportunities. The Authority has referred to its earlier communications and notices concerning the outstanding dues, extension of time and operationalisation of the industrial unit. It has also been submitted that the Revisionist failed to submit the requisite application through the prescribed online portal along with a concrete action plan and supporting documents. Consequently, the Authority proceeded to cancel the allotments on 01-01-2026 in accordance with the applicable terms and conditions.

8. The Respondent Authority has also disputed the Revisionist's contention regarding non-communication of outstanding dues and has relied upon its earlier demand notices and correspondence. It has submitted that the Revisionist was granted sufficient opportunities to regularise the allotments but failed to comply with the requirements. The Authority has therefore maintained that the cancellation orders were issued in accordance with the applicable rules and do not warrant interference.

9. Heard Mr Shesh Mani Shukla, learned counsel on behalf of the Revisionist, and Mr Ajay, RM Ayodhya, UPSIDA, on behalf of Respondent Authority, both are present in person. I have perused the documents available on record. The following issues essentially arise for consideration:

a) Whether the cancellation orders dated 01.01.2026 were passed after affording a reasonable opportunity to the Revisionist to comply with the conditions of allotment?

b) Whether the Revisionist had been duly informed of the outstanding dues and the applicable requirements for regularisation and operationalisation of the industrial units?

c) Whether the delay in approval of the building plans and the alleged technical difficulties constitute sufficient grounds for interference with the cancellation orders?

d) Whether the conduct of the Revisionist, particularly regarding payment of dues and commencement of industrial operations, warrants any relief in the present revision?

10. As regards the first issue, the records indicate that the Respondent Authority had issued multiple notices and the final notice dated 21-11-2025 requiring the Revisionist to clear the outstanding dues and complete the requisite formalities within the prescribed period. The Revisionist has acknowledged the receipt of these notices and has also referred to representations submitted thereafter. Thus, it cannot be said that the Revisionist was unaware of the defaults or the requirements communicated by the Authority. However, the question whether the exact outstanding dues were adequately communicated and whether the representations submitted by the Revisionist were duly considered requires examination.

11. As regards the second issue, the Revisionist has specifically contended that the exact amount of outstanding dues was not disclosed in the notices dated 21-11-2025 and that repeated requests were made for a detailed statement of account. The Respondent Authority, on the other hand, has relied upon its earlier demand notices and correspondence. The obligation to pay lawful dues rests upon the allottee. At the same time, the Authority is expected to communicate the amount payable with sufficient clarity to enable compliance. Mere willingness to pay, without actual payment, cannot by itself constitute compliance to the conditions of allotment.

12. As regards the third issue, the Revisionist has attributed the delay in operationalisation of the industrial units to non-approval of building plans and technical difficulties in the online portal. However, the existence of a fire safety certificate does not, by itself, establish that all statutory approvals required for construction and commencement of industrial operations had been obtained. The Revisionist was required to pursue the necessary approvals and comply with the applicable conditions of allotment. Further, the reference to technical difficulties in earlier years cannot automatically establish that the online portal remained non-functional during the relevant period in 2025.

13. As regards the fourth issue, the material on record indicates that the plots have remained non-operational for a considerable period. The purpose of allotting industrial land is to facilitate industrial activity, investment and employment generation. An allottee is therefore expected to fulfil the financial and operational obligations within the prescribed period. Continued non-compliance with these obligations cannot be justified merely on the basis of repeated representations seeking additional time.

14. Nevertheless, the Revisionist has raised specific objections regarding the calculation and communication of outstanding dues and has expressed willingness to clear the lawful dues and comply with the requirements of the Respondent Authority. The Authority is required to consider such representations in accordance with the applicable rules and policies. Any decision regarding restoration or regularisation must be based upon the relevant provisions, the actual status of the plots, the outstanding financial liabilities and the eligibility of the Revisionist under the prevailing policy.

15. The principles of natural justice require that an allottee be given a reasonable opportunity to present his case before an adverse decision is taken. However, these principles do not entitle an allottee to unlimited opportunities for compliance despite repeated defaults. The Revisionist cannot claim restoration of the allotments as a matter of right merely by expressing willingness to pay the outstanding dues at a later stage.

16. In the present case, the Revisionist has not established that the financial and operational conditions of allotment were fulfilled within the prescribed period. The prolonged non-operational status of the industrial units and the failure to complete the requisite formalities are material considerations which cannot be ignored. Further, no sufficient ground has been established for

granting a blanket waiver of interest, penal interest or time-extension charges contrary to the applicable rules and policies of the Respondent Authority.

17. Based on the above discussions, I find no sufficient ground for interference with the impugned cancellation orders (for Plot C-16 & C-17) dated 01-01-2026 passed by the Respondent Authority. Accordingly, the revision petition is disposed of.

Sd/-
(Alok Kumar)
Additional Chief Secretary

Letter No. 5534/77-4-26/11Appeal/26 Dated:as above

1. Chief Executive Officer, UPSIDA
2. M/s Rakesh Kumar Shukla
3. Director I.T. Invest U.P.- to upload the order on the department's website.
4. Guard file

By Order

(Nirmesh Kumar Shukla)
Joint Secretary