

Government of UP
Industrial Development Department; Section -4
No. 5535/77-4-26/56 Appeal/26
Lucknow: Dated 24.10.2026

M/s Suresh Kumar Chaurasia Revisionist

Vs

Gorakhpur Industrial Development Authority (GIDA) 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 Suresh Kumar Chaurasiya challenging the cancellation order dated 16-07-2025 (impugned order) passed by the Respondent Authority in respect of industrial Plot No. FL-41, Sector-13, Gorakhpur, admeasuring 661 sq. m.
2. Briefly stated the facts of the case are: The plot in question was initially allotted to Sri Rajesh Kumar vide allotment letter dated 26-10-2019 for establishing an industrial unit for manufacturing of Shree Hariom aluminium. Subsequently, on the application of the original allottee, the Respondent Authority permitted transfer of the plot in favour of the Revisionist vide order dated 19-08-2020. The transfer order dated 19-08-2020 required the Revisionist to complete the execution of the lease deed within 30 days of issuance of the order and comply with the other terms and conditions of allotment. However, the Revisionist failed to execute the lease deed and establish the industrial unit within the stipulated period. Consequently, the Respondent Authority cancelled the allotment vide order dated 16-07-2025 on the grounds of non-compliance with the conditions of allotment and non-payment of outstanding dues.
3. It has been submitted on behalf of the Revisionist that the industrial project could not be implemented on account of the Covid-19 pandemic, non-development of the connecting road, inadequate infrastructure and alleged

encroachment upon the plot. It has further been submitted that the connecting road was developed only in December 2024, thereby preventing the Revisionist from undertaking construction and operationalising the industrial unit. The Revisionist has also contended that the outstanding dues were calculated arbitrarily without extending the benefit of the Covid period and that a substantial amount of Rs. 22,01,031/- was deposited on 16-04-2025 under the head of land premium. The principal contention of the Revisionist is that no proper opportunity of hearing was afforded before cancellation and that the impugned order was not served upon him. The Revisionist has accordingly sought setting aside of the cancellation order, restoration of the allotment and waiver of restoration charges, interest and time-extension charges.

4. On behalf of the Respondent Authority, it has been submitted that the plot was transferred in favour of the Revisionist on 19-08-2020 with an explicit condition that the lease deed would be executed within 30 days. Despite repeated notices dated 06-01-2021, 06-07-2021, 09-12-2021, 23-06-2022, 20-12-2022, 23-06-2023, 10-04-2024 and 21-08-2024, the Revisionist neither executed the lease deed nor established the industrial unit. The Respondent Authority has further submitted that notices dated 04-04-2025 and 16-05-2025 were served upon the Revisionist, as evidenced by the postal tracking records, but no satisfactory compliance was made by the Revisionist. Against the outstanding dues of Rs. 41,62,103/-, the Respondent Authority has acknowledged a deposit of Rs. 21,50,000/- on 16-04-2025, which was insufficient to discharge the outstanding liability. It has further been submitted that the Revisionist failed to comply with the fundamental conditions of allotment even after the lapse of nearly six years. Consequently, the plot in question was cancelled on 16-07-2025. The Authority has also submitted that, following cancellation, the plot in question was allotted to M/s Khan Traders on 22-04-2026, lease deed was executed between the parties on 16-06-2026,

possession was handed over on 22-06-2026 and the layout plan was approved on 12-08-2026.

5. Heard Mr Ankitesh Agarwal, learned counsel on behalf of the Revisionist & Mr Suresh Kumar Chaurasia, the Revisionist, both are present in person. Sri Ram Prakash, ACEO, GIDA on behalf of the Respondent Authority is present through VC. Three issues essentially arise for consideration:

a) Whether the cancellation order dated 16-07-2025 suffers from any procedural infirmity or violation of the principles of natural justice?

b) Whether the prolonged failure of the Revisionist to execute the lease deed, establish the industrial unit and discharge the outstanding dues makes out a case for interference with the impugned order?

c) Whether the subsequent allotment of the plot to a third party has any bearing on the relief sought by the Revisionist?

6. As regards the first issue, the principal contention of the Revisionist is that the impugned cancellation order was passed without issuing any notice or affording an opportunity of hearing. However, the records submitted by the Respondent Authority indicate that several notices were issued over a prolonged period requiring the Revisionist to execute the lease deed, establish the industrial unit and clear the outstanding dues. In particular, the Respondent Authority has furnished postal tracking records evidencing delivery of notices dated 04-04-2025 and 16-05-2025. The contention that no notice whatsoever was served upon the Revisionist is, therefore, not borne out by the records. The principles of natural justice require that a person likely to be affected by an administrative decision be given a fair and reasonable opportunity to present his case. However, these principles do not give an allottee the right to seek unlimited opportunities for compliance, particularly when sufficient opportunities have already been provided and the allottee has repeatedly failed to fulfil his obligations. In the present case, sufficient

opportunities appear to have been afforded before the impugned cancellation order was passed.

7. As regards the second issue, the transfer of the plot in favour of the Revisionist was approved on 19-08-2020 with a condition requiring execution of the lease deed within 30 days. Further, Clause 14 of the original allotment letter required establishment of the industrial unit within two years from the date of allotment. These conditions are fundamental to the allotment of industrial land. The Revisionist neither executed the lease deed nor established the industrial unit even after the lapse of nearly six years from the original allotment. Such prolonged non-compliance defeats the purpose for which industrial land is allotted and cannot be condoned merely on the ground that certain representations were submitted to the Respondent Authority.
8. The plea regarding the Covid-19 pandemic and non-development of the connecting road also does not sufficiently explain the continued default. The plot was originally allotted in October 2019 and transferred to the Revisionist in August 2020. Even after the period affected by the pandemic had substantially passed, the Revisionist failed to execute the lease deed or take effective steps towards establishing the industrial unit. The contention that the connecting road was developed only in December 2024 may be relevant for consideration of an appropriate extension of the project implementation period, subject to the applicable policy and verification of facts. However, it does not, by itself, explain the failure to execute the lease deed for such a prolonged period. The obligation to execute the lease deed is distinct from the obligation to complete construction and operationalise the industrial unit. The Revisionist has failed to establish sufficient justification for non-compliance with this basic requirement.
9. The Revisionist has also relied upon orders passed in certain other revision matters wherein cancellation orders were set aside on account of non-service of notices or violation of the principles of natural justice. However, the

applicability of such orders necessarily depends upon the facts and circumstances of each case. In the present matter, the Respondent Authority has produced postal tracking records evidencing service of notices and has demonstrated prolonged non-compliance with the conditions of allotment. The orders relied upon by the Revisionist, therefore, do not create an automatic entitlement to restoration of the allotment.

10.As regards the third issue, the Respondent Authority has submitted that, following cancellation of the allotment, the plot was allotted to a third party on 22-04-2026, possession was handed over on 22-06-2026 and the layout plan was approved on 12-08-2026. Thus, subsequent rights are stated to have been created in favour of another allottee. Any direction for restoration of the original allotment would necessarily affect the interests of the subsequent allottee, who is not a party to the present proceedings. This constitutes an additional consideration against granting the relief of restoration in the present proceedings. The legality of the impugned order must be examined independently on the basis of the facts and records relating to the cancellation.

11.In the present case, the material on record establishes that the Revisionist remained in persistent default of the essential conditions of allotment, particularly the execution of the lease deed and establishment of the industrial unit. Despite repeated notices and opportunities extending over several years, the Revisionist failed to fulfil these obligations. The explanations offered regarding the Covid-19 pandemic and inadequate infrastructure do not sufficiently account for such prolonged non-compliance. The Respondent Authority was, therefore, justified in initiating cancellation proceedings in accordance with the applicable terms and conditions of allotment.

12.Based on the above discussion, I find no sufficient ground for interference with the cancellation order dated 16-07-2025 passed by the Respondent Authority. Accordingly, the revision petition is dismissed. However, the Respondent Authority shall reconcile the payments made by the Revisionist

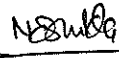
and ensure that any amount refundable under the applicable rules and conditions of allotment is dealt with in accordance with law.

13. Accordingly, the revision petition is disposed of.

Sd/-
(Alok Kumar)
Additional Chief Secretary

Letter No. 5535/77-4-26/56Appeal/26 Dated: as above

1. Chief Executive Officer, GIDA
2. M/s Suresh Kumar Chaurasia (Email: ankijuris10@gmail.com)
3. Director I.T. Invest U.P. – to upload the order on the department's website.
4. Guard file

By Order

(Nirmesh Kumar Kumar)
Joint Secretary