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

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**CWP-29173-2022 (O&M).  
Date of Decision: 14.07.2025.**

**MAKHAN SINGH**

... Petitioner(s)

Versus

**PUNJAB SMALL INDUSTRIES & EXPORT CORPORATION  
LIMITED (PSIEC).**

... Respondent(s)

**CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.**

Present: Mr. J.S. Mehndiratta, Advocate, with  
Mr. Yashjot Singh Dhaliwal, Advocate, and  
Mr. Umaid S. Mann, Advocate,  
for the petitioner.

Mr. Aditya Pratap Duggal, Advocate,  
for the respondent.

**VINOD S. BHARDWAJ, J. (ORAL)**

**CM-15636-CWP-2024**

Application is allowed as prayed for subject to all just  
exceptions.

Annexures P-10 to P-16 are taken on record.

The Registry is directed to tag the same at an appropriate place.

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Main case

Challenging the order dated 30.09.2022 passed by the Permanent Lok Adalat (Public Utility Services), S.A.S. Nagar, Mohali, under the Legal Services Authorities Act, 1987 whereby the application of the petitioner for allotment of Commercial Plot No.70 (106 Sq. yards), Industrial Area, Phase VII, Mohali, had been declined, the instant writ petition has been filed.

2 When the matter came up for hearing on 19.12.2022, the following order was passed: -

*“Learned counsel appearing on behalf of the petitioner inter alia contends that the petitioner give the highest bid for the commercial plot No.70 (106 sq. yds.), Industrial Area, Phase-VII, Mohali which falls in H-1 category. He contends that as per the bid documents, the amount was to be deposited within a period of 03 days of receipt of a communication about acceptance of the bid. Since the mobile phone of the petitioner was under repair, he could not come to know about the communication sent by the respondent on 05.09.2019 and in fact he came to know about the same on 11.09.2019 and approached the respondents immediately thereafter to make good the deposit. The same was however declined to be accepted by the respondents on the premise that the needful was to be done within a period of 03 days.*

*Aggrieved thereof, application under Section 22 (C) of the Legal Services Authority Act, 1987 was submitted by the petitioner, however, the said application has also been dismissed.*

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*The petitioner further undertakes to deposit the entire amount of the bid money along with interest @ 6% per annum to show his bona fide within a period of one month from today.*

*Notice of motion.*

*Notice re: Stay as well.*

*Mr. Abhilkash Gaind, Advocate entered appearance on behalf of respondent and prays for some time to file his response.*

*In the meanwhile, in the event of the petitioner depositing the entire bid amount as offered by the petitioner along with interest @ 6% within a period of one month from today, the respondents are restrained from further allotment of commercial plot No.70 to any other person till the final outcome of the present case. It is made clear that the deposit of the aforesaid amount shall not create any equitable right in favour of the petitioner.*

*To come up on 17.04.2023.”*

3 Learned counsel appearing on behalf of the petitioner contends that under similar circumstances, the respondents have made an allotment in favour of another successful bidder upon his depositing the amount along with interest @ 9.5% per annum. He submits that the petitioner is ready and willing to deposit the bid amount along with interest @ 9.5% per annum.

4 Learned counsel appearing on behalf of respondent-PSIEC relied on the written statement to argue that the respondent- PSIEC had duly sent the intimation to all the successful bidders via e-mail and text. The petitioner had also been instructed to pay 10% of the bid amount within 03 days, however, he did not turn up. Thereafter, the respondent forfeited the

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earnest money that had been deposited by the petitioner for participating in the e-auction as per Clause 5.2 of the e-auction policy. Learned counsel thus prays for dismissal of the writ petition.

5 I have heard learned Counsel for the respective parties and have gone through the documents appended along with the present petition.

6 It is not in dispute that the petitioner had been informed about the auction through e-mail and text message on 05.09.2019. The petitioner, however, came to know about the auction only on 11.09.2019 since his mobile phone was under repair till 10.09.2019. Thereafter, he immediately approached the respondents to make good the deposit but the same was declined since it was not done within a period of 03 days of communication of the bid.

7 In the present case, the petitioner approached the respondent as soon as he came to know about the auction, after a period of 06 days of the information being sent through the email and text and after a delay by 3 days for which an explanation has been offered. The petitioner did not commit any delay in approaching the respondent and was prompt to approach the respondents. The time lapse is not to an extent where it may be construed that a bidder is only seeking to capitalize his bid or intended to delay the payment or even to hold that he did not have the resources to pay the money. While mischievous attempts in the nature as above certainly need to be checked and indulgence may be denied but the case in hand reflects certain contingencies which may be probable and unintended. Whether even an honest lapse needs to be dealt with in the same way as a mischievous default, this Court would

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refrain from equating the two and is of the view that judicial equity and discretion needs to be exercised where a dividing line between the two can be drawn.

8 The Permanent Lok Adalat, (PUS) SAS Nagar (Mohali) adopted a conservative view and approach without considering the factual aspects and lack of mischief.

9 It is also noticed that the respondent accepted the delayed payment after charging interest @ 9.5% per annum in instances where letter of allotment had been issued. There is nothing on record to reflect that there was an exponential demand of the property and that the market price boom escalated the market rate in 3 days delay. It is also not a case of the respondents that any immense revenue loss would occur to it or that other plots had fetched any manifold higher value. It is also not the case that any auction was held during the period of pendency of dispute before the Permanent Lok Adalat (Public Utility Services), or before this Court and similar plot fetched any higher price. There is thus nothing on record to assume that there is a likelihood of huge revenue loss. The respondents having acknowledged 9.75% interest as a sufficient indemnification for a delayed deposit, such compensatory mechanism can be applied in the present case as well. Counsel for the petitioner agrees to clear the dues along with interest @ 9.75% per annum.

10 The present writ petition is accordingly allowed and the order dated 30.09.2022, passed by the Permanent Lok Adalat (Public Utility Services), SAS Nagar, Mohali is set aside.

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11 In the event of the petitioner depositing the entire outstanding amount along with interest @ 9.75% per annum from the date of accrual of the liability till its final deposit, the respondent-PSIEC shall issue the allotment letter in favour of the petitioner without any further delay.

12 Needless to mention that the amount already deposited by the petitioner pursuant to the order dated 19.12.2022 shall be taken into consideration while computing the outstanding amount against the petitioner. The respondent-PSIEC shall convey the outstanding amount along with interest @ 9.75% per annum within a period of 06 weeks from today whereupon the petitioner shall deposit the amount as communicated, within a further period of 05 weeks along with interest as above.

13 Since the main case has been disposed of, CM-339-CWP-2023 also stands disposed of accordingly.

**July 14, 2025.**  
**raj arora**

**(VINOD S. BHARDWAJ)**  
**JUDGE**

*Whether speaking/reasoned* : Yes/No  
*Whether reportable* : Yes/No