IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-26412-2015
Date of Decision: September 11, 2018

Surinder Pal Singh and another

.....Petitioners

Versus

State of Punjab and another

......Respondents

CORAM: HON'BLE MR.JUSTICE SURYA KANT
HON'BLE MR. JUSTICE SUDIP AHLUWALIA

Present: Mr.S.S.Salar, Advocate for the petitioners.

Mr.Sandeep Vermani, Addl.AG, Punjab.
Mr.M.S.Batth, Advocate for respondent No.2.

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SURYA KANT, J.(ORAL)

The petitioners were the highest bidders in a public auction conducted by Ludhiana Improvement Trust (for brevity,'the Trust') for the sale of Booth No.2 in '6 acres Gyan Singh Rarewala Market Scheme'. Their highest bid for a sum of ₹50,05,000/- was accepted. They deposited 25% of the allotment price on 22.03.2011. The booth was finally approved by the State Government on 15.04.2011. The balance 75% was to be paid in 6 biannual installments.

[2] The petitioners failed to deposit 2nd, 3rd and 4th installments due to which the allotment was cancelled. However, before 4th installment became due, the petitioners made a representation that they were willing to deposit the amount in default so that the booth could be restored. The Trust favourably considered the request of petitioners vide Resolution dated

05.04.2013 (Annexure P-6) and referred the case to State Government for its acceptance.

[3] The State Government unfortunately sat over the matter and did not take any decision. The petitioners thereafter filed the instant writ petition in December 2015. This Court issued interim directions to the State Government to take its decision on the Resolution passed by the Trust in favour of the petitioners for restoration of the booth site. It is in furtherance of those directions that the State Government has taken the decision on 24.11.2017 Annexure R-1/1 whereby the allotment price of the booth has been enhanced from ₹50,05,000/- to ₹94,75,217/-. The enhancement has been made by levying 20% penalty on each installment besides 18% interest.

[4] The petitioners are in a fix. According to them the enhanced allotment price is much more than the current market value of the site. They are ready and willing to pay the simple interest on the delayed installments, but have expressed inability to pay huge penalty besides interest @ 18%.

[5] We have heard learned counsel for the parties and gone through the record.

[6] It is not in dispute that the petitioners have not been heard by State Government before taking decision dated 24.11.2017. While it may not be prudent for the Trust or the State Government to restore the allotment at the rate of year 2011 without subjecting the petitioners to some penalty/interest, yet the amount of penalty levied by the State Government appears to be on the higher side. The writ petition is, thus disposed of without expressing any views on merits with liberty to the petitioners to submit representation alongwith reasons which compelled them not to

deposit the due installments on time, with a further direction to the State Government to consider such representation sympathetically and pass an appropriate order within a period of <u>three months</u> from the date of receipt of the representation.

(SURYA KANT)
JUDGE

September 11, 2018 **(SUDIP AHLUWALIA)**
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1. **Whether speaking/reasoned ?** **Yes/No**
2. **Whether reportable ?** **Yes/No**