



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

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CWP-14421-2026

Date of Decision: 11.05.2026

M/s Mahadev Fruit and Vegetable Company**....Petitioner****Versus****State of Haryana and others****....Respondents**

**CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE VIKAS SURI**

Present: Mr. Ravinder Malik, Advocate
for the petitioner.

Mr. Deepak Bhardwaj, Additional Advocate General, Haryana.

SUVIR SEHGAL, J. (ORAL)

1. Briefly stating, the grievance of the petitioner is that he was successful in an auction of a commercial site at New Vegetable Market, Panipat. He deposited the initial 25% of the bid amount but could not deposit the balance amount. Stand taken by the petitioner is that he had applied for mortgage of the allotted property through a bank but due to delay on the part of respondent No.3, permission to mortgage the property was not granted and petitioner could not avail the loan facility. Counsel submits that petitioner approached the respondents for extension of time, but they have not considered the same.

2. Advance copy of the petition has been served upon the respondents.

3. Mr. Deepak Bhardwaj, Additional Advocate General, Haryana,



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puts in appearance on behalf of respondents and submits that as per the terms and conditions of e-auction, Annexure P-8, there is no provision for extension of time for deposit of balance 75% amount. He states that entire remaining payment has to be made within a period of 120 days of the issuance of Letter of Intent (LOI). A preliminary objection has been raised by him that there is a provision for reference of the dispute to an Arbitrator under Clause 17 of brochure, Annexure P-8.

4. Upon instructions, counsel for the petitioner states that he does not have any objection, in case, the dispute is referred to an Arbitrator for adjudication.

5. We have heard counsel for the parties and considered their submissions.

6. Clause 17 of the Terms and Conditions contained in brochure, Annexure P-8, is reproduced hereunder:

“17. All disputes and differences arising out of or in any way touching or concerning this allotment whatsoever shall be referred to the sole arbitration of the Chief Administrator or any other officer appointed by him. It will not be an objection to such appointment that the arbitrator so appointed is a Government officials or an officer of the authority that he had to deal with the matter to which this allotment relates in the course of his duties as such Govt. servant or officer, as the case may be, he has expressed his views on all or any of the matters in disputes or difference. The decision of such arbitrator shall be final and binding on the concerned parties.”

7. A perusal of the above reproduced clause shows that all disputes



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and differences arising out of or in any way concerning the allotment are required to be referred for adjudication to the Chief Administrator or any officer appointed by him, who shall arbitrate the dispute. In view of the judgment of the Hon'ble Supreme Court in **Perkins Eastman Architects DPC & Anr. v. HSCC (India) Ltd., (2020) 20 SCC 760**, neither the Chief Administrator nor any official nominated by him can be appointed as an Arbitrator. The dispute has to be determined by an independent Arbitrator.

8. Accordingly, petition is allowed. Shri T.P.S. Phoolka, IAS (Retd.) House No.105, IAS-PCS Officers Society, New Chandigarh, Punjab, (Mob.9872511105), is appointed as the sole Arbitrator to adjudicate the dispute between the parties, subject to declaration to be made by him under Section 12 of the Arbitration and Conciliation Act, 1996 (for short, 'Arbitration Act'), with regard to his independence and impartiality to adjudicate the dispute.

9. Parties are directed to appear before the Arbitrator on 27.05.2026, at 10:00 A.M., at the address mentioned above or at any other place, time or day fixed by the learned Arbitrator.

10. Fee shall be paid to the Arbitrator in accordance with the Fourth Schedule of the Arbitration Act, as amended.

11. Learned Arbitrator is requested to complete the proceedings as per time limit specified under Section 29-A of the Arbitration Act.

12. Parties will be at liberty to raise all the claims, counter claims, defences, pleas etc. before the Arbitrator.

13. Needless to mention that all the questions arising between them



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in this matter will remain open for determination in the arbitral proceedings and any observation made hereinabove will not be binding on the learned Arbitrator.

14. A copy of this order be sent to the nominated Arbitrator.

(SUVIR SEHGAL)
JUDGE

May 11, 2026
Varinder

(VIKAS SURI)
JUDGE

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