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

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Date of decision: 07.04.2026

Baljit Singh and another

....Petitioners

Vs.

State of Punjab and others

....Respondents

CORAM : HON'BLE MR. JUSTICE HARSH BUNGER

Present: Mr. C.L. Sharma, Advocate
for the petitioners.

Mr. Harpreet Singh, AAG, Punjab.

None for respondents No.6 and 7.

HARSH BUNGER J.

1 Petition herein is, filed under Articles 226/227 of the Constitution of India, seeking a writ in the nature of Certiorari, for setting aside the order dated 04.03.1998 (Annexure P-5) passed by learned Commissioner, Ferozepur Division, Ferozepur.

1.1 A further prayer has been made for directing cancellation of sale of plot in favour of respondents No.6 and 7 herein and to further confirm the auction in favour of the petitioners.

2. Briefly, a plot measuring 2 kanals and 5 marlas comprised in khasra No.186//1/3min(1-17), 2/1/1(0-8) situated at Ferozepur was put to auction on 22.01.1980; wherein respondents No.6 and 7 were the successful bidders for the amount of Rs.24,200/-. It appears that the earnest money was

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deposited at the spot; however the balance was to be paid upon confirmation of sale by the learned Sales Commissioner.

3. It appears that the aforesaid sale in favour of respondents No.6 and 7 was confirmed on 20.10.1980; however, the learned Tehsildar (Sales) vide order dated 14.04.1981 (Annexure P-1) cancelled the sale in favour of respondents No.6 and 7 on the ground that the auction purchaser had failed to deposit the balance amount; accordingly earnest money of Rs.4840/- deposited by respondents No.6 and 7 were forfeited and a further direction was issued to re-auction the land. It appears that the aforesaid property was re-auctioned on 19.05.1983, wherein the present petitioners were the highest bidder for an amount of Rs.24,300/-; however, the said auction was neither confirmed by the learned Sales Commissioner nor it was rejected.

4. It transpires that in January, 1994, respondents No.6 and 7 challenged the order dated 14.04.1981 (Annexure P-1) by filing an appeal before the learned Sales Commissioner, Ferozepur, *inter alia*, on the plea that no notice was given to them before passing the aforesaid order dated 14.04.1981 (Annexure P-1) nor they were heard, which was the violation of principles of natural justice. It was pleaded that, the balance amount was to be paid only after confirmation of the sale by the learned Sales Commissioner; however, no notice regarding this was given to them. It was further pleaded that, they were in the possession of the land in question and upon learning about the order dated 14.04.1981 (Annexure P-1) on 28.12.1993 from the office of learned Tehsildar, they immediately filed an

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appeal; accordingly they prayed that the aforesaid order dated 14.04.1981 be set aside and they may be permitted to deposit the balance amount.

5. The learned Sales Commissioner, Ferozepur vide order dated 31.01.1994 (Annexure P-2) came to the conclusion that neither notice was given to respondents No.6 and 7 before cancellation of sale in their favour nor any notice regarding depositing of amount was issued to them after the confirmation of sales by the learned Sales Commissioner; accordingly, the appeal filed by respondents No.6 and 7 was accepted and the matter was remanded to the learned Tehsildar (Sales) for fresh decision, after affording opportunity to respondents No.6 and 7 herein.

5.1. It appears that on remand, learned Tehsildar (Sales) vide order dated 16.05.1994 (Annexure P-3) allowed respondents No.6 and 7 herein to deposit the balance amount.

6. Thereafter, the present petitioners preferred an appeal against the aforesaid order dated 16.05.1994 (Annexure P-3) before the learned Chief Sales Commissioner, Ferozepur which came to be decided vide order dated 19.06.1995 (Annexure P-4), whereby he set aside the order dated 31.01.1994 (Annexure P-2) passed by the learned Sales Commissioner and further directed that the land in question be put to fresh auction as per provisions of the Punjab Package Deal Properties (Disposal) Rules, 1976.

7. Feeling dissatisfied with the order dated 19.06.1995 (Annexure P-4), the present petitioners as well as respondents No.6 and 7 herein preferred their separate revisions before the learned Commissioner, Ferozepur Division, Ferozepur. Both the said revision petitions came to be

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disposed of vide a common order dated 04.03.1998 (Annexure P-5), whereby the order dated 19.06.1995 (Annexure P-4) passed by the learned Chief Sales Commissioner was set aside with a further direction that if respondents No.6 and 7 deposit an amount of Rs.15,000/- within a period of three months then their revision would be accepted, and in case they fail to comply with the order then the learned Sales Commissioner will consider the case of present petitioners for confirmation of second auction.

8. In view of the aforementioned circumstances, present petition has been filed before this Court, for seeking relief(s) as noted hereinabove.

9. In the present matter, written statement has been filed on behalf of respondents No.1 to 5/State, wherein the above-referred facts are not disputed; however, it has been mentioned that after the passing of order dated 16.05.1994 (Annexure P-3) by the learned Tehsildar (Sales), the respondents No.6 and 7 deposited the balance amount on 17.03.1994 and even a sale certificate was issued in their favour on 18.03.1994.

10. That apart in reply to para No.2 and para No.8 of the writ petition, the State has taken the following stand.

“The rest of Para No.2 of the Writ Petition is replied in this manner that it is true that under Rule 8(h) of the Punjab Package Deal Properties (Disposal) Rules, 1976 the highest bidder is required to pay the balance amount within 15 days of the date of receipt of intimation of acceptance of the bid, but this period can be extended under Rule 8(k) of the Rules ibid and the auction-purchaser is liable to pay interest on such balance. In this case, Balkar Singh etc, respondents No.6 and 7, deposited the balance amount on 17-3-1994 and further paid



the interest for the intervening period within the stipulated period i.e. on 6-5-1998 as per order of the learned Commissioner, Ferozepore Division, Ferozepore, dated 4-3-1998. Thus, there seems to be nothing wrong if respondents No.6 and 7 deposited the balance amount after the expiry of 15 days of the intimation of acceptance of bid.

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Para No.8 (i) to (iv). As per Rule 8(k) of the Punjab Package Deal Properties (Disposal) Rules, 1976 extension for the payment of the balance amount can be granted for such period as deems fit and the auction-purchaser is liable to pay interest for the intervening period. The respondents No.6 and 7 paid the balance amount on 17-3-1994 and further paid the interest for the intervening period within the stipulated period as fixed by the learned Commissioner, Ferozepore Division, Ferozepore, vide his order dated 4-3-1998. There seems to be nothing wrong if respondents No.6 and 7 deposited the balance amount after the expiry of 15 days of the intimation of acceptance of bid. The order of the learned Commissioner, Ferozepore Division, is just and proper as per Rule 8(k) mentioned above.”

10.1 From perusal of the above-extracted stand of the State it is apparent that respondents No.6 and 7 had paid the balance auction amount on 17.03.1994 and even the interest in terms of the order dated 04.03.1998 (Annexure P-5) passed by learned Commissioner, Ferozepur Division, Ferozepur stood deposited. The sale certificate is also stated to have issued on 18.03.1994 in favour of respondents No.6 and 7. It is further borne out from the reply filed by State that they have accepted the order passed by the learned Commissioner, Ferozepur Division, Ferozepur.

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11. Similarly, respondents No.6 and 7 herein have filed their separate statement opposing the stand of the petitioners and further praying that the order passed by the learned Commissioner be maintained.

12. Heard.

13. The operative part of the order dated 04.03.1998 (Annexure P-5) passed by learned Commissioner, Ferozepur Division, Ferozepur, reads as under:-

“5. I have given a thoughtful consideration to the arguments advanced on behalf of the parties and have also closely perused the record. It is a matter on record that Balkar Singh deposited Rs. 4840/- on 22-1-1980 leaving a balance of Rs.19360/-. According to the condition No. 3 of the Memorandum of Offer he agreed to deposit balance amount in the nearest Government Treasury within 15 days from the date of communication of the acceptance of the bid. Notice regarding payment of Rs. 19,360/- was issued on 20-11-1980 and he was directed to pay the amount within 15 days from the date of receipt of notice but as per report of the process server he refused to receive the notice. In the office note it was suggested that amount be recovered as arrears of land revenue but the then S.D.O.(Civil)-cum-Sales Commissioner returned the case with the observation that in sale cases the balance cannot be recovered as arrears of land revenue. This observation was against the amended Rule6(^)(xiii). Thereafter, one copy of the notice was pasted on the house of Balkar Singh but inspite of that he did not pay the balance amount. Inspite of that as per amended rules atleast an effort should have been made to recover the balance amount as arrears of land revenue instead of cancelling the auction and reauctioning the land in dispute. The land in question was

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agricultural land at the time of auction and hence the plea that it was urban property and hence recovery of balance amount could not be made as arrears of land revenue hold no good at belated stage. Shri Balkar Singh deposited the balance amount of Rs. 19,360/- on 17-3-1994 which he was required to deposit latest by 5-12-1980. Thus, the fault continued for about 13 years and the appellant cannot be allowed to take any benefit of the plea that he was not given a notice to deposit balance amount. The learned Chief Sales Commissioner has rightly observed that the appellant was duty bound to deposit the balance amount has caused a loss to the Government and hence the appellant is liable to pay interest for the intervening period. Even the simple interest at the rate of 10% per annum comes to more than Rs. 25,000/-. But taking a lenient view in the matter, the appellant is directed to pay Rs. 15,000/- as interest for the intervening period, within three months, if he is interested to retain the land in question, otherwise the cancellation order shall remain intact. If the appellant has already paid any amount as interest that shall be adjusted against the payable amount. If the appellant fails to pay the interest within stipulated period then the Sales Commissioner, Ferozepore will consider the case for confirmation of the second auction sale in favour of Baljit Singh etc who were the highest bidders and have already paid the entire amount. In view of the above discussion, the impugned order of learned Chief Sales Commissioner is set aside and both appeals are disposed of as per the above observations i.e. the appeal of Balkar Singh is accepted if he deposits Rs. 15,000/- (Fifteen thousand) within the stipulated period and if he fails to comply with the order then the Sales Commissioner will consider the case of Baljit

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Singh etc for confirmation of second auction. A copy of this order be placed in each file.”

13.1 A perusal of the above-extracted order would show that the respondents No.6 and 7 were directed to pay Rs. 15,000/- as interest for the intervening period within three months, failing which the cancellation order would remain intact. It was further directed that in case, the respondents No.6 and 7 fail to pay the interest within the stipulated period then the learned Sales Commissioner shall consider the case for confirmation of the second auction sale in favour of the petitioners herein. It is further borne out that a copy of the order dated 04.03.1998 (Annexure P-5) was ordered to be placed on each file.

14. Concededly, the petitioners have preferred only one revision petition, which was apparently filed on 03.08.1998, which is after the expiry of period of three months as directed by the learned Commissioner in the impugned order dated 04.03.1998 (Annexure P-5). It has come by way of reply filed on behalf of the State that the interest amount of Rs.15,000/- as directed by learned Commissioner was paid by respondents No.6 and 7 within the stipulated period.

15. In my considered view, the order dated 04.03.1998 (Annexure P-5) passed by learned Commissioner was a conditional order to the extent that, if respondents No.6 and 7 failed to pay interest amount of Rs.15,000/- within period of three months then the cancellation order was to remain intact and the case of confirmation of second auction in favour of the petitioners was to be processed. The petitioners have conveniently waited for

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the period of three months to lapse in order to see whether the respondents No.6 and 7 would pay the amount or not.

16. Concededly (as per reply of the State), the respondents No.6 and 7 have already paid the interest amount within the stipulated period granted by the learned Commissioner, therefore, once the condition envisaged under the order dated 04.03.1998 (Annexure P-5) already stands complied by the respondents No.6 and 7, in that sense, petitioners are precluded from challenging the order dated 04.03.1998 (Annexure P-5). In case, the petitioners were not satisfied with the abovesaid order dated 04.03.1998 (Annexure P-5) passed by learned Commissioner then they would have not waited for the period of three months to lapse.

17. Even otherwise, there is no material on record to suggest that after respondents No.6 and 7 were declared as successful bidders in the first auction held on 22.01.1980, any intimation was sent to them as regards the confirmation of the sale on 20.10.1980, Their is neither any such notice produced before this Court, which would prima facie, indicate that the respondents No.6 and 7 were intimated about confirmation of sale in their favour on 20.10.1980 and/or calling upon them to deposit the balance auction amount. Even the copy of the notice which is stated to have been pasted on the house of respondents No.6 and 7 is also not forthcoming.

18. That apart, it would be apposite to refer to Rule 6(1) and Rule 6(6) of the Punjab Package Deal Properties (Disposal) Rules, 1976, which reads as under:-



villages situated in the Patwar or the Kanungo Circle, as the case may be.

(v). No sale shall take place until after the expiry of a period of fifteen days from the date of publication of the notice.

(vi) Every auction of the land or property under these rules shall be subject to a reserve price fixed in respect of the land or property, which may not be disclosed to public.

(vii) The Tehsildar (Sales) or Naib-Tehsildar (Sales) may withhold the sale of any land or property after recording the reason, in writing, which may not be made public.

(viii) The Tehsildar (Sales) or Naib-Tehsildar (Sales) may if the situation so demands, for reason to be recorded in writing, adjourn the sale to a specific date and hour and an announcement to the effect shall be made at the time of adjournment of the sale.

Provided that where the sale is adjourned for a period exceeding 15 days, a fresh notice shall be given.

(ix) The person declared to be the highest bidder for the land or property, as the case may be at the public auction shall pay in cash 25% of the amount of bid as earnest money on the spot to the officer conducting the sale and in default of such deposit the property may be resold:

Provided that in the case of sale by restricted auction, the earnest money shall be 5% of the amount of bid.

(x) Where the highest bidder, whose bid is provisionally accepted resiles from the bid before its approval is communicated to him, the amount deposited by him under clause (ix) shall be forfeited.



(xi) The bid in respect of which a deposit under clause (ix) has been accepted shall be subject to the approval of the Sales Commissioner:

Provided that no bid shall be approved until after the expiry of a period of 10 days of the auction.

(xii)(a) intimation of the approval of the bid or its rejection shall be given to the highest bidder (hereinafter referred to as auction purchaser).

(b) The auction purchaser shall, where the bid has been accepted, be required within 15 days of the receipt of such intimation, to produce before the Tehsildar (Sales) or Naib-Tehsildar (Sales) the treasury challan in respect of the deposit of the balance of the purchase money in case the land or property has been purchased in open auction.

Provided that the Sales Commissioner may for reasons to be recorded in writing extend the aforesaid period of fifteen days by such period not exceeding sixty days as he may think fit:

Provided further that the period extended under the preceding proviso may further be extended by the Chief Sales Commissioner.

(bb)¹ Where payment of the balance of the purchase money is made after the period of the first extension granted under the first proviso to sub-clause (b), the auction purchaser shall deposit along with the balance of the purchase money to be deposited under this sub- rule, interest on such balance from date of the expiry of the period of extension till the date of deposit, at such rate as may be fixed by the Government.



(c) where the land has been sold in restricted auction, the auction purchaser shall pay the balance price in 19 half-yearly equated interest-free installments, the first instalment payable at the end of the first harvest after one year from the date of approval of the sale.

(xiii) If the auction purchaser does not deposit the balance of the purchase money within the period specified in clause (xii) or defaults in the payment of two successive instalments, within the stipulated period, the Tehsildar (Sales) or Naib-Tehsildar (Sales)¹ shall recover the amount of defaulted instalments as arrears of land revenue.

(xiv) When the purchase price has been realized in full from the auction purchaser, the Tehsildar (Sales) or Naib-Tehsildar (Sales) shall issue to him a certificate of sale in the form specified in Appendix 'B' appended to these rules.”

18.1 It would be apparent from the reading of the above-extracted Rule 6(6)(xiii) that if the auction purchaser does not deposit the balance of the purchase money within the period specified or defaults in payment on two successive installments within stipulated period; then the Naib Tehsildar (Sales)/Tehsildar (Sales) shall recover the amount of defaulted installments as arrears of land revenue.

19. It is further clear from Rule 6(6)(xix) that the occasion to resale the property arises in case the person who was declared to be highest bidder in the auction fails to pay the earnest money on the spot.



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20. Evidently in the present case, respondents No.6 and 7 have already paid the earnest amount in the auction bid held on 22.01.1980. It has also been noticed by learned Commissioner in its order dated 04.03.1998 (Annexure P-5) that as per the office note it was suggested that the balance amount be recovered from the respondents No.6 and 7 as arrears of the land revenue; however the learned Sales Commissioner had not accepted the said suggestion.

20.1 In my considered view, the learned Commissioner has rightly observed that the said observation of the learned Sales Commissioner in not accepting the suggestion for recovery of balance amount by way of arrears of land revenue was contrary to Rule 6(6)(xiii). Further, as per the stand of the State, the respondents No.6 and 7 had paid the entire auction amount along with interest as directed by the learned Commissioner within the stipulated period and even the sale certificate stands issued in their favour.

21. Considering the totality of circumstances, I find no merit in the instant writ petition and the same is accordingly dismissed.

22. All the pending application(s), if any, shall also stand closed.

07.04.2026

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(HARSH BUNGER)
JUDGE

Whether speaking/reasoned:
Whether reportable:

Yes/No
Yes/No