



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

RSA-3361-1996 (O&M)

Reserved on :- 30.03.2026

Date of Pronouncement:-09.04.2026

Uploaded on:- 10.04.2026

State of Punjab and Another

... Appellants

Versus

Tara Singh (Since Deceased) through his LRs

... Respondents

CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Argued by :-

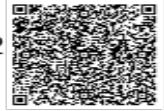
Mr. I.S. Kingra, Senior DAG, State of Punjab-appellants.

Mr. Alok Jain, Advocate
for the respondents.

VIRINDER AGGARWAL, J.

1. The present Regular Second Appeal (here-in-after referred to as "RSA") has been preferred by the appellant-defendant assailing the judgment and decree dated 06.08.1996 passed by the learned District Judge, Hoshiarpur, whereby the judgment and decree rendered by the learned Sub Judge First Class, Balachaur, was affirmed and the suit instituted by the respondent-plaintiff stood decreed.

2. The factual matrix, in brief, is that the respondent-plaintiff instituted a suit for permanent injunction seeking to restrain the defendant-State from auctioning, selling, transferring, or otherwise alienating the suit



land, fully described in the headnote of the plaint, and from forcibly dispossessing the plaintiff therefrom.

2.1 It was averred that the suit land was originally owned by defendant No.1 and was put to public auction on 27.07.1982. The plaintiff emerged as the highest bidder, and his bid was duly accepted and confirmed in his favour. Pursuant thereto, he deposited one-fourth of the bid amount, while the balance consideration was to be paid in installments to be fixed and communicated by defendant No.2.

2.2 It was further pleaded that, consequent upon the acceptance of the bid, the plaintiff entered into possession of the suit land as an auction purchaser. The land in question being *Banjar* in nature, the plaintiff allegedly rendered the same cultivable by incurring an expenditure of ₹3,000/-.

2.3 The grievance of the plaintiff arose from the fact that the defendants had allegedly threatened to re-auction the suit land and had purportedly cancelled the auction in his favour without issuance of any prior notice or communication of any order. It was asserted that any such cancellation effected behind the back of the plaintiff was illegal, null, and void, thereby necessitating the institution of the present suit.

3. The defendants contested the suit by raising, inter alia, preliminary objections to the maintainability of the same. It was contended that the jurisdiction of the Civil Court was barred under Section 16 of the Punjab Package Deal Properties (Disposal) Act, 1976, and that the suit was further liable to be dismissed for want of mandatory notice under Section 80 of the Code of Civil Procedure, 1908.



3.1 On merits, it was pleaded that the alleged sale in favour of the plaintiff was expressly subject to the approval of the Sales Commissioner. It was averred that the Sales Commissioner, vide order dated 26.10.1987, declined to approve the sale on the ground that the auction had not been conducted in accordance with the prevailing Government policy, and, therefore, the said authority was competent to cancel the sale.

3.2 It was further asserted that possession of the suit land had never been delivered to the plaintiff, as such delivery was contingent upon formal confirmation of the sale. The defendants also alleged that the plaintiff had manipulated entries in the revenue record to falsely reflect possession over the suit property.

4. Upon a comprehensive and meticulous consideration of the pleadings and the rival submissions advanced by the parties, the Court deemed it appropriate to crystallize the issues arising for adjudication and, accordingly, framed the following issues for determination:-

1. Whether the plaintiff is entitled to permanent injunction as prayed for? OPP
2. Whether this court has got no jurisdiction to hear and try the present suit in view 2. of Section 16 of the Punjab Package Deal Properties(Disposal)Act, 1976?DD.
3. What is the effect or non-service of notice under Section 80 CPC upon the defendants?OPD.
4. Whether the suit is bad maintainable in the present form?OPD.
5. Whether the plaintiff has no cause of action to rile this suit?OPD.
6. Relief.

5. Upon completion of trial, and after affording due opportunity to the parties to adduce evidence, the learned trial Court decreed the suit in



favour of the respondent–plaintiff. Aggrieved by the judgment and decree so passed, the State of Punjab preferred an appeal, which came to be dismissed by the learned District Judge, Hoshiarpur.

5.1 While dismissing the appeal, the learned First Appellate Court recorded a categorical finding that the auction had taken place on 27.07.1982 and that a report was subsequently submitted in the year 1987 suggesting that *Banjar Qadeem* land could not be auctioned and that the auction be cancelled. It was further observed that although such report was placed before the Sales Commissioner, no specific order cancelling the auction was ever passed, nor was any notice issued to the plaintiff prior to the alleged cancellation.

5.2 The learned First Appellate Court further held that no statutory provision had been brought to the notice of the Court to substantiate the contention that *Banjar Qadeem* land could not be sold under the applicable rules. It was also observed that even if the sale was subject to approval by the Sales Commissioner, the inaction and silence on the part of the said authority for a period exceeding three years would, in law, amount to deemed acceptance of the auction. Consequently, it was held that the plaintiff could not be expected to wait indefinitely for such approval.

5.3 Still aggrieved, the appellant–defendant has instituted the present Regular Second Appeal. The respondents have entered appearance through counsel and have contested the same.

6. I have heard learned counsel for the parties at considerable length and have bestowed anxious and thoughtful consideration upon their respective submissions, keeping in view the pleadings of the parties, the



evidence brought on record, and the concurrent findings returned by the Courts below.

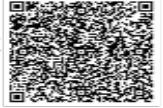
7. Insofar as the scope of the present second appeal is concerned, it is now well-settled that, within the territorial jurisdiction of Punjab and Haryana, second appeals are to be treated as appeals under Section 41 of the Punjab Courts Act, 1918, and not strictly under Section 100 of the Code of Civil Procedure, 1908. Reference in this regard may be made to the judgments of the Hon'ble Supreme Court in *Pankajakshi (Dead) through LRs and others vs. Chandrika and others, (2016) 6 SCC 157; Kirodi (since deceased) through LRs vs. Ram Parkash and others, (2019) 11 SCC 317; and Satender and others vs. Saroj and others, 2022(12) Scale 92*. In view of the authoritative pronouncements in the aforesaid cases, no substantial question of law is required to be framed for adjudication in the present appeal.

8. Learned counsel for the appellant-State has contended that both the Courts below have failed to appreciate the statutory bar contained in Section 16 of the Punjab Package Deal Properties (Disposal) Act, 1976, and have thus erroneously assumed jurisdiction, thereby committing a manifest illegality.

8.1 There is no dispute with regard to the proposition that the jurisdiction of the Civil Court stands barred in terms of Section 16 of the said Act. For ready reference, Section 16 of the Punjab Package Deal Properties (Disposal) Act, 1976 is reproduced as under:-

16. Bar of jurisdiction and finality of orders :

(1) Save as otherwise expressly provided in this Act, every order made by any officer or authority under this Act shall be final and no Civil



Court shall have jurisdiction to entertain any suit or proceeding, in respect of any matter which the State Government, or any officer or authority appointed under this Act is empowered by or under this Act to determine, and no injunction shall be granted by any Court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

(2) Nothing in the; Punjab Public Premises and Land (Eviction and Rent Recovery) Act, 1973, shall apply to package deal property.

9. The statutory bar to the jurisdiction of the Civil Court, as envisaged under Section 16 of the Punjab Package Deal Properties (Disposal) Act, 1976, would be attracted only in respect of an order validly made by a competent officer or authority under the said Act. Both the Courts below have, however, concurrently recorded a finding that no such valid or legally enforceable order had been passed by any competent authority in the present case.

9.1 In support of this position, learned counsel for the respondent—plaintiff has placed reliance upon the judgment of the Hon’ble Supreme Court in ***Bachhittar Singh vs. State of Punjab, AIR 1963 SC 395***, wherein it has been authoritatively held that for an order to attain legal efficacy and binding character, it must not only be passed by the competent authority but must also be duly communicated to the person affected thereby and it was concluded by the Hon’ble Apex Court as under:-

"Thus it is of the essence that the order has to be communicated to the person who would be affected by that order before the State and that person can be bound by that order. For, until the order is communicated to the person affected by it, it would be open to the Council of Ministers to consider the matter over and over



again and therefore, till its communication the order cannot be regarded as anything more than provisional in character."

9.2. In the present case, it stands unequivocally admitted by the witness of the appellant–defendant that no order purportedly passed by the Sales Commissioner was ever communicated to the respondent–plaintiff. This admission assumes considerable significance in light of the settled legal position governing the validity and enforceability of administrative orders. The relevant extract from the cross-examination of the said witness is reproduced here-in-below:-

No information was sent to the plaintiff regarding order dated 26.10.1987 as per file brought by me.

10. A careful perusal of the record reveals that what has been brought on record by the appellant–defendant is merely a noting on the file, exhibited as Ex.DA. Such a noting, in the absence of culmination into a formal and operative order by the competent authority, does not attain the character of a legally enforceable decision. It is an admitted position that no final order, purportedly passed by the Sales Commissioner on the basis of the said noting, was ever communicated to the respondent–plaintiff.

10.1 In view of the settled legal principle enunciated by the Hon’ble Supreme Court, that an order does not become effective unless it is duly communicated to the person affected thereby, both the Courts below have rightly discarded the evidentiary value of the said noting Ex.DA. Consequently, in the absence of a valid and communicated order, the bar to the jurisdiction of the Civil Court under Section 16 of the Punjab Package Deal Properties (Disposal) Act, 1976 would not be attracted.



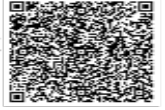
10.2 Learned State counsel has further contended that the respondent–plaintiff had an equally efficacious alternative remedy by way of appeal and revision under the provisions of the aforesaid Act. It is pointed out that Section 8 provides for an appeal to the Sales Commissioner, Section 9 provides for a further appeal to the Chief Sales Commissioner, and Section 10 contemplates revisional jurisdiction before the Chief Sales Commissioner.

10.3 While it is correct that the statutory framework envisages such appellate and revisional remedies, the invocation thereof is necessarily predicated upon the existence and communication of an order adversely affecting the rights of the aggrieved party. In the present case, it is an admitted and undisputed fact that no such order was ever communicated to the respondent–plaintiff. In the absence of knowledge of any adverse order, the respondent–plaintiff could not have been expected to avail the remedies of appeal or revision as provided under the Act. Thus, the plea of availability of alternative remedy is rendered untenable in the factual matrix of the present case.

10.4 It has also been urged on behalf of the appellant–defendant that the Sales Commissioner was vested with the authority to cancel the auction. However, a plain reading of the provisions of the Punjab Package Deal Properties (Disposal) Act, 1976 indicates otherwise. The statutory scheme contemplates that such power vests in the Tehsildar (Sales) or Naib Tehsildar (Sales), as envisaged under Section 7 of the Act.

10.5 For the sake of completeness, Section 7 of the Punjab Package Deal Properties (Disposal) Act, 1976 is reproduced hereunder:-

Section 7.



Power to vary or cancel leases or transfers of any package deal property:

- (1) Notwithstanding anything contained in any other law for the time being in force but subject to any rules that may be made under this Act, the Tehsildar (Sales) or Naib Tehsildar (Sales) may cancel any transfer or terminate any lease or amend the terms of any transfer or lease under which any package deal property is held or occupied by a person. Provided that no transfer shall be cancelled, lease terminated or the terms of any transfer or lease amended unless such an action is permissible under the terms and conditions of the instrument of transfer or lease, as the case may be, and unless an opportunity of showing cause has been given to the transferee or lessee, as the case may be.
- (2) Where any person(a) has ceased to be entitled to the possession of any package deal property by reason of any action taken under subsection (1); or- (b) is, in the opinion of the Tehsildar (Sales) or Naib Tehsildar (Sales} otherwise in unauthorized possession of any package deal property; he shall, after he has been given a reasonable opportunity of showing cause against his eviction from such package deal property , surrender possession of the property on demand being made in this behalf by the Tehsildar (Sales) or Naib Tehsildar (Sales) or by any other person duly authorized by the Tehsildar (Sales) or Naib Tehsildar (Sales) as the case may be.
- (3) If any person fails to surrender possession of any package deal property on demand made under sub-section (2), the Tehsildar (Sales) or Naib Tehsildar (Sales) may, notwithstanding anything to the contrary contained in any other law for the time being in force, eject such person and take possession of such property and may, for such purpose, use or cause to be used such force as may be necessary.



11. It is thus evident that the power to cancel an auction, in terms of the statutory scheme under the Punjab Package Deal Properties (Disposal) Act, 1976, vests with the Tehsildar (Sales) or the Naib Tehsildar (Sales), and not with the Sales Commissioner. In fact, Section 8 of the Act provides a statutory appeal to the Sales Commissioner against any order passed by the Tehsildar (Sales) or Naib Tehsildar (Sales), thereby clearly indicating the hierarchical framework of adjudicatory authority under the Act.

11.1 In the present case, it is an admitted position that no order has been passed by the Tehsildar (Sales) cancelling the public auction which stood confirmed in favour of the respondent–plaintiff. In the absence of any such foundational order, the question of its appellate or revisional consideration does not arise.

11.2 Learned State counsel has further contended that since the respondent–plaintiff failed to deposit the balance sale consideration, the auction in his favour stood automatically terminated. However, this contention does not merit acceptance.

11.3 The procedure governing sale of land by auction is mandatorily regulated by Rule 6 of the Punjab Package Deal Properties (Disposal) Rules, 1976, which delineates the obligations of the auction purchaser as well as the conditions precedent for finalisation or cancellation of the auction process.

11.4 For the sake of clarity and completeness, Rule 6 of the said Rules is reproduced hereunder:-

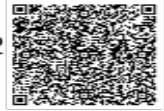
Rule 6 - Scrutiny of applications. -



- (i) On receipt of an application for the transfer of land, the Tehsildar (Sales) or Naib Tehsildar (Sales) shall scrutinise and dispose it of [within four months from the date of receipt by him of the application for transfer of the land under these rules].
- (ii) Where the Tehsildar (Sales) or Naib-Tehsildar (Sales) is satisfied that the occupant is eligible for the transfer of land in his or her possession, he shall send the case to the Sales Commissioner for approval, after recovery of the first instalment equivalent to an amount as may be specified by the Govern, ment from time to time and the arrears of rent/lease or damages, if any." These arrears shall be paid in lumpsum or in such number of instalments as may be fixed by the Sales Commissioner by a specific order, keeping in view the circumstances of each case and the number of instalments so fixed shall not exceed the number of instalments in which price of land is to be re-covered.
- (iii) The Sales Commissioner may, after scrutiny of the case referred to him under sub-rule (2), either confirm or reject or modify the recommendations of the Tehsildar (Sales) or Naib-Tehsildar (Sales) [within two months from the date of receipt of the case by him]:

Provided where a transferee is a woman or a minor, the Sales Commissioner shall send the case to the Chief Sales Commissioner, with his specific recommendations.

12. A plain reading of the aforesaid Rules makes it manifest that the balance sale consideration is required to be deposited by the highest bidder only upon receipt of intimation regarding approval of the bid and confirmation thereof being duly communicated to the auction



purchaser. In the present case, admittedly, no such communication intimating approval or confirmation of the bid was ever issued or conveyed to the respondent–plaintiff. Consequently, the obligation to deposit the balance consideration did not arise.

13. The learned First Appellate Court has, in the considered view of this Court, rightly held that public authorities are duty-bound to act within a reasonable period and cannot keep matters pertaining to citizens' rights in a state of indefinite uncertainty. In the present case, the auction was conducted on 27.07.1982, yet no decision with regard to confirmation or rejection of the bid was taken by the Sales Commissioner up to the year 1987.

13.1 In these circumstances, the learned District Judge has correctly interpreted the inordinate and unexplained delay as amounting to deemed approval of the bid by the Sales Commissioner. It is a settled principle of administrative law that public authorities cannot be permitted to prolong decision-making processes in a manner that keeps the rights of citizens in a perpetual state of flux. Decisions affecting civil rights are required to be taken within a reasonable period, failing which adverse presumptions may legitimately arise.

13.2 The learned First Appellate Court has further observed that the appellant–State has failed to produce on record any statutory provision or governmental policy prohibiting the auction of *Banjar Qadeem* land. In the absence of any such legal embargo, the challenge raised by the appellant lacks merit.



13.3 Accordingly, finding no infirmity in the concurrent findings recorded by the Courts below, the appeal is dismissed and the judgment and decree passed by the learned First Appellate Court are hereby affirmed.

14. Consequently, upon final adjudication of the principal controversy, all pending miscellaneous applications, if any, arising out of or connected with the present proceedings, stand disposed of by necessary implication. In view of the conclusions recorded here-in-above, no separate or further orders are required in respect of such applications, the same having rendered infructuous and purely academic.

09.04.2026
Gaurav Sorot

(VIRINDER AGGARWAL)
JUDGE

Whether reasoned / speaking?	Yes / No
Whether reportable?	Yes / No