

LPA-1139-2026 (O&M) 1

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

**(114) LPA-1139-2026 (O&M)
Date of Decision : May 06, 2026**

Dropati Devi (through LRs) .. Appellants

Versus

State of Haryana and others .. Respondents

**CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE DEEPAK MANCHANDA**

Present: Mr. Puneet Jindal, Senior Advocate, with
Ms. Fiza Arora, Advocate, for the appellants.

Ms. Anu Pal, Addl. Advocate General, Haryana.

HARSIMRAN SINGH SETHI J. (ORAL)

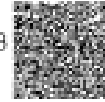
CM-2783-LPA-2026

Present application has been filed for placing on record judgment/order of the learned Single Judge dated 23.10.2013 (Annexure A-1).

Keeping in view the averments made in the application, which are duly supported by an affidavit, the application is allowed. Annexure A-1 is taken on record.

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1. In the present Letters Patent Appeal, the challenge is to the order dated 26.02.2026 passed by the learned Single Judge in CWP No.9068 of 1993 whereby the challenge to the orders passed by the authorities concerned cancelling the auction/allotment of land in favour of the appellant on the ground of fraud, has been upheld.

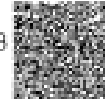
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2. Certain facts needs to be mentioned for the correct appreciation of the issue in hand.

3. An auction was conducted for 32 kanals of land vide auction notice dated 27.11.1981. As per the said auction notice, the reserve price for said land was fixed @ Rs.11,200/-for which the highest bid was given by the appellant amounting to Rs.6,000/-. Before the said auction could attain finality, an objection was taken by the competent authority on 30.01.1982 that the highest bid in auction of said land is less than the reserve price fixed and hence, same cannot be accepted.

4. Thereafter, the bid of Rs.6,000/- made by the appellant was accepted after the reserve price was reduced by cutting from Rs.11,200/- to Rs.1,352/- by recording a finding that said bid was more than the reserve price fixed.

5. After such reduction in the reserve price by manually cutting the reserve price from Rs.11,200/- to Rs.1,352/-, the bid offered by the appellant was confirmed on 09.06.1982. The appellant was given an allotment letter with a clear stipulation that earnest money amounting to 12½ per cent (1/8th) of the total amount of bid will be deposited immediately and the remaining amount is to be deposited in 15 half yearly installments. As per the allotment letter, in case there is a default in payment of consequent two installments, the allotment of the land in favour of appellant as well as the money so deposited will be forfeited. It is a conceded position that there is a default in the payment of installments as no installment was paid by the appellant starting from 12/86 onwards.

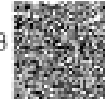
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6. That due to the default in payment of remaining amount on part of the appellant, by invoking clause 4 of the allotment letter, the land was again put to auction in February, 1988 and that too with the reserve price of Rs.11,200/-.

7. Fresh auction qua the same land took place on 05.02.1988 wherein, respondent No.4 participated and offered the highest bid of Rs.32,000/- and consequently the land was allotted to him on 21.03.1988 after same was confirmed by the competent authority.

8. As per the appellant, for said land which was earlier auctioned in her favour, she deposited the remaining installments on 21.12.1988, which was accepted by the Clerk working in the office of Tehsildar and upon such deposit, the appellant claimed ownership over the land in question.

9. The question which arose then was as to who is to be treated as owner of the land in question. Feeling aggrieved against the order dated 16.03.1988 by which, the sale of the land in question was confirmed in favour of respondent No.4, same was challenged by the appellant before the Settlement Commission by filing a revision petition. The said revision petition came to be decided on 25.06.1993 wherein, it was held that the approval of the initial auction done in favour of the appellant was fraudulent in nature as the same was done by manipulating the record by the official whereby, the reserve price fixed @ Rs.11,200/- was substituted with Rs.1,352/- by cutting which manipulation is apparent even with naked eye. The only object to do so was to treat the bid offered by appellant of Rs.6,000/-, as valid which was concededly done as said offer made by

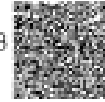
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appellant was ultimately treated as “more than the reserve price”. Further, it had also held that even if, for the sake of convenience, the said auction in favour of appellant was to be treated as valid, still, there was a default in payment of more than two consequent installments by the appellant starting from 15.12.1986 onwards upto 15.12.1988 and hence, keeping in view the terms and conditions of allotment, the land stood reverted back to the Government which led to the initiation fresh auction qua the same land, which auction came to be in favour of respondent No.4, in which auction also the reserve price was fixed @ Rs.11,200/- and as respondent No.4 was the highest bidder of offer Rs.32,000/-, he was allotted the said land after the sale was confirmed in favour of respondent No.4.

10. Finding was also recorded in the order dated 25.06.1993 that after confirmation of sale in favour of respondent No.4 in pursuance of fresh auction of the land in question on 16.03.1988, defaulted installments at the hands of the appellant were only paid in December, 1988, which was accepted by a Clerk without any jurisdiction.

11. The appellant challenged the said order dated 25.06.1993 before this Court by filing CWP No.9068 of 1993, which writ petition has been dismissed by the learned Single Judge upholding said order that keeping in view the facts mentioned by the authorities in the revisional order dated 25.06.1993, the appellant has no right to claim ownership over said land, which orders are under challenge in the present appeal.

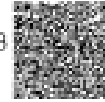
12. Learned Senior Counsel appearing on behalf of the appellant submits that the appellant cannot be treated to be at fault so as to deny her ownership over the land as the reserve price mentioned in the auction notice

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was never disclosed to the parties concerned and therefore, once it has already come on record that the bid offered by the appellant was the highest and keeping in view the decision of the authorities that the reserve price to be treated as Rs.1,352/- and not Rs.11,200/- as has been recorded by the authorities, the order in the revision so as to treat her bid of Rs.6,000/- as less than the auction price is incorrect.

13. Learned Senior Counsel for the appellant further submits that qua the issue of default in payment of the installments, though the same is a conceded fact but, the same were deposited by the appellant in December, 1988 along with 6% interest, which payment of installments was accepted by the authorities concerned and therefore, the same would amount to waiving off of such default in favour of the appellant and same cannot be taken into account to deny the relief to the appellant qua the validity of the second auction which was challenged by the appellant before the revision.

14. The last argument which has been raised by the learned Senior Counsel for the appellant is that though, the default in payment is clear but, before re-auctioning the said land in question in February/March, 1988, a notice was not given to the appellant so as to apprise her of the fact of cancellation of her allotment done in pursuance to auction in her favour therefore, such cancellation by the respondent so as to re-auction the said land in favour of respondent No.4 is contrary to the settled principle of law settled by the Division Bench of this Court in ***CWP No.3514 of 1995 titled as Sandhya Jindal vs. State of Haryana and others, decided on 12.07.1996*** as well as of the Hon'ble Supreme Court of India in ***Civil Appeal No.599 of 1986 titled as S.K. Bhargava vs. Collector, Chandigarh and others,***

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decided on 23.04.1998 wherein, it has been held that before cancellation of an allotment and for forfeiture of amount already deposited, a notice is to compulsorily issued to the beneficiary concerned.

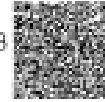
15. Learned Senior Counsel for the appellant further submits that even as per the terms and conditions of the allotment, a right has been conferred to cancel such allotment upon non-adherence of such terms but the said right can be exercised as per law only when due notice to the beneficiary concerned keeping in view Section 7 of the Punjab Package Deal Properties (Disposal) Act, 1976 (hereinafter referred to as '1976 Act').

16. We have heard learned Senior Counsel for the appellant and learned State counsel and have gone through the record with their able assistance.

17. Before proceeding any further, it becomes necessary to ensure as to what are the actual facts for which, the original record was summoned and has been perused by us.

18. A perusal of the record clearly shows that the reserve price for land in question held in the year 1981 was fixed @ Rs.11,200/-, which figure has been cut off/altered and a figure of Rs.1,352/- has been substituted substantially.

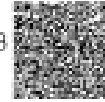
19. It may be noticed that the initial mention of reserve price of Rs.11,200/- is a with different ink and the subsequent mentioning of reserve price of Rs.1,352/- by scoring of the reserve price of Rs.11,200/- has been done with a different ink and same has also been done on a subsequent date, which discrepancy is clear even from naked eye. Keeping in view the said fact, the assertion and the arguments raised by the learned Senior Counsel

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for the appellant are to be seen and decided.

20. A bare perusal of the record shows that after the highest bid of Rs.6,000/- was offered by the appellant in pursuance to the auction notice dated 27.11.1981, the competent authority rejected the said bid by categorically recording that the same is less than the reserve price fixed for auction of such land. In case, the cutting/alteration in reserve price was done prior to 31.01.1982 i.e. date of auction and such alteration qua reserve price had already been carved out by the competent authority, there arose no occasion to record a finding that the bid of Rs.6,000/- was less than the reserve price. Hence, it can be very well assumed that initially the reserve price mentioned in the notice according to which the auction was conducted, was Rs.11,200/-, which was subsequently changed to Rs.1,352/- i.e. after the auction proceedings had been undertaken. It is only thereafter, the Tehsildar concerned passes an innocuous order that “the bid of the appellant is more than the reserve price and is accordingly accepted”. This was only done after the record was manipulated/changed so as to favour the appellant and a finding to that effect has been recorded by the Settlement Commissioner while deciding revision petition filed by the appellant that manipulation has been done in the record pertaining to auction so as to accept the bid offered by the appellant.

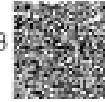
21. Learned Senior Counsel for the appellant has not been able to rebut the finding recorded by the competent authority while passing the order dated 25.06.1993 that there has been manipulation of record so as to accept the bid of Rs.6,000/- given by the appellant to give undue benefit to the appellant.

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22. The argument which has been raised by the learned Senior Counsel appearing on behalf of the appellant is that there was no disclosure of the reserve price before conducting the auction. In case, the said argument is accepted, then the bid should have started from Rs.1/- onwards and not from a particular amount and nothing has come on record to show that the bidding started from Rs.1/-.

23. Further, the said assertion that the appellant was not informed about the reserve price fixed would be of no consequence once, the authorities were under an obligation to conduct the auction process as per the decision taken qua fixing the reserve price @ Rs.11,200/ in auction notice-. Rather, the bid should have started from Rs.11,200/- onwards, which is not the case as even the final bid offered by the appellant was Rs.6,000/-, which is approximately 50% less than the reserve price fixed. Hence, the argument that the reserve price fixed was not known to the appellant, will be of no consequence once it is proved from the record that in the auction notice under which land was to be auctioned in which auction the appellant participated and offered the highest bid of Rs.6,000/-, the reserve price was fixed at Rs.11,200/- and evidently said highest bid offered by the appellant was much less than the reserve price fixed and subsequently said reserve price of Rs.11,200/- was scored off to Rs.1,352/-.

24. The other argument which has been raised by the learned Senior Counsel for the appellant is that without giving any notice, the cancellation of allotment done in favour of the appellant and undertaking a fresh auction process could not have been done by the authorities concerned and therefore, the same is bad.

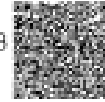
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25. It may be noticed that any allotment, which is a result of fraud and gives undue benefit to a beneficiary, such beneficiary cannot approach the Court raising an objection that there has been violation of the rules of natural justice while withdrawing such allotment. It is only a person who has played the game according to the rules, can approach the Court for the redressal of the grievance.

26. In the present case, it has already come on record that auction process undertaken whereby, bid of Rs.6,000/- offered by the appellant was accepted, was not bona fide one rather same was a result of fraud/collusion between the officials and appellant and the appellant was allotted the land on a price which was half of the reserve price fixed for the said auction by manipulating the record which fact is clear from the naked eye upon perusal of the original record.

27. Even if it is assumed for the sake of argument that a notice was required to be given to appellant before cancellation of the allotment done in her favour. It may be noticed that the purpose of same is only to give an opportunity to the person concerned to make his case and prove that the default which is being alleged to have been done, has not been committed and the view being taken by the authorities that there has been a default is factually incorrect.

28. The rules of natural justice cannot be extended in a situation where a person is accepting default on his/her part but is still raising a grievance that notice should have been given before cancellation. Even if such a notice would have been given to the appellant, it would have been futile as the default had already occurred which is a conceded fact before

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this Court even as of now hence, in the garb of some technicality or formality, the actual justice or order required to be passed cannot be overridden especially in such a case where default has been conceded, which default resulted in cancellation of auction in favour of the appellant. Keeping in view said aspect, the cancellation of the allotment and forfeiture of the amount was within the jurisdiction of the respondent especially when the default at the hands of appellant has been conceded even during the hearing before this Court hence, the defence taken that opportunity to be heard was not given will not come to the rescue of appellant so as to get the subsequent auction cancelled which was done in accordance with law.

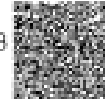
29. It is relevant to mention here that as per the judgment of the Hon'ble Supreme Court of India in ***Chairman, State Bank of India and another vs. M.J. James (2022) 2 SCC 301*** wherein, the Hon'ble Supreme Court of India held as under:-

“ 31. In *State of U.P. v. Sudhir Kumar Singh and Others*,¹¹ referring to the aforesaid cases and several other decisions of this Court, the law was crystallized as under:

“42. An analysis of the aforesaid judgments thus reveals:

42.1 Natural justice is a flexible tool in the hands of the judiciary to reach out in fit cases to remedy injustice. The breach of the audi alteram partem rule cannot by itself, without more, lead to the conclusion that prejudice is thereby caused.

42.2 Where procedural and/or substantive provisions of law embody the principles of natural justice, their infraction per se does not lead to invalidity of the orders passed. Here again, prejudice must be caused to the litigant, except in the case of a mandatory provision of law which is conceived not only in individual interest, but also in public interest.



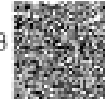
42.3 *No prejudice is caused to the person complaining of the breach of natural justice where such person does not dispute the case against him or it. This can happen by reason of estoppel, acquiescence, waiver and by way of non-challenge or non-denial or admission of facts, in cases in which the Court finds on facts that no real prejudice can therefore be said to have been caused to the person complaining of the breach of natural justice.*

42.4 *In cases where facts can be stated to be admitted or indisputable, and only one conclusion is possible, the Court does not pass futile orders of setting aside or remand when there is, in fact, no prejudice caused. This conclusion must be drawn by the Court on an appraisal of the facts of a case, and not by the authority who denies natural justice to a person.*

42.5 *The “prejudice” exception must be more than a mere apprehension or even a reasonable suspicion of a litigant. It should exist as a matter of fact, or be based upon a definite inference of likelihood of prejudice flowing from the non-observance of natural justice.”*

30. Keeping in view the admitted fact of default, the benefit of the judgments in ***Sandhya Jindal’s case (supra)*** and ***S.K. Bhargava’s case (supra)*** relied upon by the learned Senior Counsel for the appellant cannot be extended as no prejudice caused has been brought on record and presented before this Court.

31. Further, it has already come on record that in February/March, 1988 i.e. 36 years ago, the fresh auction process was completed and pursuant to that auction allotment of land in question has already been done in favour of respondent No.4. In said auction also, the reserve price was fixed @ Rs.11,200/- and the bid offered by respondent No.4 was of Rs.32,000/- which offer was accepted hence, once subsequent auction process has already attained finality and has been confirmed by authorities 36 years ago, cannot be set aside at this point of time merely on the asking


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of the appellant who is concededly a defaulter of terms of allotment as well as a beneficiary of fraudulent allotment.

32. The last argument which has been raised by the learned Senior Counsel for the appellant is that the land is still in her possession for the last 44 years.

33. It may be noticed that a bare perusal of the order passed by the authorities in the revision petition dated 25.06.1993, particularly the concluding paragraph, it has been mentioned therein that the appellant is not in possession of land in question. Once, said finding has been recorded by the competent authority while deciding revision petition, nothing has been brought on record to show this Court that the appellant is still in possession and the finding in the order dated 25.06.1993 is perverse.

34. Hence, even the said argument cannot be accepted, as a factual position contrary to said argument has been depicted in the revisional order, which fact has gone unrebutted.

35. Keeping in view above, no ground is made out for any interference by this Court in the facts and circumstances of the present case.

36. Order is dictated in the open Court in the presence of the counsel for the parties.

37. No other argument has been raised.

38. Accordingly, the appeal is dismissed.

39. Civil miscellaneous application pending if any, also stands disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

May 06, 2026
harsha

(DEEPAK MANCHANDA)
JUDGE

Whether speaking/reasoned : Yes
Whether reportable : No