

RSA-1384-2022 (O&M)

2026.PHHC.057250



131 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

RSA-1384-2022 (O&M)

Decided on : 17.03.2026

Balbir Singh

....Appellant

Versus

Bhupinder Singh & ors.

....Respondents

CORAM: HON'BLE MR. JUSTICE PANKAJ JAIN

Present :- Mr. Sarju Puri, Senior Advocate with
Mr. Digvijay Manchanda, Advocate
Ms. Anjila Guru, Advocate
for the appellant.

PANKAJ JAIN, J. (ORAL)

1 Appellant-defendant No.1 is in second appeal. For convenience, parties hereinafter are referred to by their original position in the suit, i.e. the appellant as defendant No.1 and respondents No.1 & 2 as plaintiffs and respondents No.3 to 5 as defendants No.2 to 4.

2 Plaintiffs filed suit for possession by way of specific performance. As per plaintiffs, defendants No.2 to 4 are owners in possession of the suit property. Defendant No.1 represented plaintiff, and he has entered into an agreement to purchase the suit land from defendants No.2 to 4. They have authorized defendant No.1 to further enter into an agreement to sell and that defendants No.2 to 4 would be bound to execute instrument of sale deed as consenting party.



3 Accordingly, defendant No.1 executed agreement to sell *qua* suit land in favour of plaintiffs for a total sale consideration of Rs.92,50,000/- per acre, i.e. total sale consideration of Rs.1,85,00,000/- and received amount of Rs.20,00,000/- as earnest money. The parties agreed to get the sale deed executed on or before 31.12.2007. Plaintiffs further claim to have paid an amount of Rs.10,00,000/- to defendant No.1 on 21.03.2007. They claim that they always remained ready and willing to perform their part of contract and approached defendant No.1 to execute sale deed on 27.12.2007. The date was extended by defendant No.1 to 15.01.2008, receiving further sum of Rs.10,00,000/-. Plaintiffs appeared before the Sub-Registrar on 15.01.2008, but defendant No.1 failed to turn up to execute the sale deed. Plaintiffs accordingly claim decree of specific performance.

4 Suit was contested by defendant No.1. Execution of agreement to sell was admitted. As per defendant No.1, it is owing to conduct of the plaintiffs that agreement to sell dated 30.12.2005 in his favour executed by defendants No.2 to 4 stands cancelled and earnest money amounting to Rs.30,00,000/- paid by defendant No.1 stands forfeited by defendants No.2 to 4. As per defendant No.1, the property is owned by defendants No.2 to 4. They executed agreement to sell in favour of defendant No.1. Plaintiffs after seeing original agreement to sell dated 30.12.2005 executed in favour of defendant No.1 by defendants No.2 to 4 agreed to purchase the suit land. However, he claims that owing to lack of readiness and willingness on part of plaintiffs, defendant No.1 had to suffer loss. Plaintiffs neither had any source to pay balance sale consideration of Rs.1,55,00,000/- nor did they appear before Sub-Registrar on 15.01.2008. Defendants No.2 to 4 agreed to execute



sale deed in favour of defendant No.1 on or before 31.12.2007 due to which, as per agreement to sell between plaintiffs and defendant No.1, the date for execution of sale deed was agreed to be 27.12.2007. Plaintiffs having failed to arrange balance sale consideration, the date for getting sale deed executed was extended up to 15.01.2008, and defendants No.2 to 4 extended the date from 31.12.2007 to 17.01.2008. After plaintiffs failed to perform their part, defendants No.2 to 4 cancelled agreement to sell dated 30.12.2005 and forfeited an amount of Rs.30,00,000/-. Defendant No.1 thus suffered loss of Rs.30,00,000/- on account of failure on part of the plaintiffs to perform their part.

5 Defendants No.2 to 4 filed separate written statements resisting the claim of the plaintiffs. They denied having executed any agreement to sell in favour of defendant No.1 or having authorized him to sell the land further.

6 Suit was put to trial by the Court of First Instance framing following issues :-

“1. Whether the defendant had entered into an agreement for transfer of the land in suit in favour of the plaintiffs on 05.02.2007? OPP

2. Whether in the alternative, plaintiffs are entitled for recovery of Rs. 1,85,00,000/- as prayed for? OPP

3. Whether the suit is not maintainable in the present form? OPD

4. Whether the defendant no.1 had no legal authority, authorisation on behalf of replying defendants to enter into any agreement to sell? OPD

5. Whether the plaintiffs are barred by their act and conduct to file the present suit? OPD

6. Relief.”



7 The Court found that as per evidence led by the plaintiffs, they had no privity of contract with defendants No.2 to 4. Defendant No.1 propounded agreement to sell in his favour by defendants No.2 to 4, he agreed and admitted that he never filed any suit seeking specific performance or recovery on the basis of agreement dated 30.12.2005 against defendants No.2 to 4. He also admitted that defendants No.2 to 4 transferred a sum of Rs.30,00,000/- in his bank account.

8 The Court of First Instance accordingly held that the plaintiffs are not entitled for decree of specific performance but are entitled for alternate relief of recovery of Rs. 30,00,000/- along with simple interest @ 6% per annum from the date of institution of suit till the date of payment of decretal amount.

9 The aforesaid finding stands affirmed by the Lower Appellate Court.

10 Defendant No.1 is in second appeal. Learned senior counsel appearing for defendant No.1 submits that the Courts below erred in appreciating that the time was of essence in the present case. Plaintiffs themselves faulted and failed to prove their readiness and willingness due to which defendant No.1 suffered loss as his earnest money stood forfeited. Thus, it is not a case wherein the Court should have granted plaintiffs alternate relief of recovery of Rs.30,00,000/-.

11 I have heard learned senior counsel for the appellant and have gone through the records of the case.

12 Admittedly, plaintiffs have no privity of contract with defendants No. 2 to 4. Apart from agreement to sell in his favour defendant No.1 has no



authority/assignment to show that he was authorized to deal *qua* suit property on behalf of defendants No2 to 4. Execution of agreement to sell by defendant No.1 in favour of plaintiffs is admitted. Receipt of earnest money of Rs.30,00,000/- is not denied. Trite it is that agreement to sell does not confer any right. In these circumstances, Courts below rightly held that there being no privity of contract between owners of the suit land i.e. defendants No.2 to 4 and plaintiffs, main relief of specific performance cannot be granted in favour of the plaintiffs.

13 The only issue raised by learned senior counsel for the appellant is regarding grant of alternate relief of recovery in favour of plaintiffs against defendant No.1. He claims that time being essence of the contract, defendant No.1 suffered owing to lack of readiness and willingness on part of plaintiffs.

14 Having held that there was no privity of contract between plaintiffs and defendants No.2 to 4, this Court finds that the issue with regard to time being essence of the contract and plaintiffs having faulted for lack of readiness and willingness *sans* merit and cannot be accepted. Apart therefrom, defendant No.1 miserably failed to prove any loss. He claims to have paid Rs.30,00,000/- as earnest money to defendants No.2 to 4 by way of cheque. It has come on record that Rs.30,00,000/- stands transferred back by defendants No. 2 to 4 to the account of defendant No.1. Apart from bald assertion that the said transaction of Rs.30,00,000/- relates to some other deal, defendant No.1 has failed to lead any evidence to show that there was any other dealing between defendant No. 1 and defendants No.2 to 4.



- 15 Pure finding of fact has been recorded by the Courts below.
There being no question of law involved in the present appeal, this Court finds
no reason to interfere in well-reasoned findings recorded by the Courts below.
- 16 Finding no merits in the present appeal, the same is ordered to be
dismissed.
- 17 Pending miscellaneous application, if any, also stands disposed off.

17.03.2026
Pooja Sharma-I

(PANKAJ JAIN)
JUDGE

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