

Displaced-Person Land Vests Absolutely: Supreme Court

In *Noor Ahmed v. Mst. Rashida Bibi*, the Supreme Court held that land permanently allotted to a displaced person under the 1958 settlement law vested absolutely in the allottee, while an unchallenged allotment could not be displaced through a time-barred civil suit by alleged collateral heirs.

Judgment analysis | Published 10 September 2026 | Shahbaz Shah, Advocate High Court

Cases: Civil Appeals Nos. 263 and 264 of 2015

Court and date: Supreme Court of Pakistan | 31 March 2026

Bench: Justice Jamal Khan Mandokhail and Justice Irfan Saadat Khan

Result: Appeals allowed; gift-cancellation suit dismissed and disputed 3/8 mutation cancelled

What the Supreme Court decided

The Supreme Court of Pakistan has held that land permanently allotted to a displaced person under the Displaced Persons (Land Settlement) Act, 1958 vested absolutely in the allottee. Where the allotment order remained unchallenged and attained statutory finality, alleged collateral heirs could not bypass the settlement remedies and attack the allottee's later gift through an ordinary civil suit.

The Court allowed two connected appeals in *Noor Ahmed and others v. Mst. Rashida Bibi alias Jamila Bibi and others*, Civil Appeals Nos. 263 and 264 of 2015. Justice Jamal Khan Mandokhail authored the reasons for a two-member bench also comprising Justice Irfan Saadat Khan. The appeals were heard and decided on 31 March 2026, and both judgments were approved for reporting.

In Civil Appeal No. 263 of 2015, the Supreme Court set aside the judgments of the trial court, appellate court and Lahore High Court and dismissed the respondents' suit challenging a registered gift deed. In Civil Appeal No. 264 of 2015, it decreed the appellants' suit, cancelled a mutation of a 3/8 share in favour of the respondents and directed the revenue authorities to mutate that share in the appellants' names.

How the dispute arose

Mst. Nawab Bibi, widow of Abdul Karim, migrated from India to Pakistan after partition. She applied to the settlement authorities as a displaced person for land in compensation for property left in India. The competent authority accepted her claim and allotted property to her under the Act of 1958.

After the first allotment, Mst. Nawab Bibi gifted the property to her daughter, Mst. Fazal Bibi, through a registered gift deed dated 24 September 1963. The respondents claimed to be collateral heirs of Abdul Karim. They argued that Nawab Bibi had held the property only as a limited owner

and that they were entitled to inherit a 3/8 share.

The respondents first challenged the gift in Civil Suit No. 254 of 1963. On 28 May 1965, the civil court returned the plaint under Order VII Rule 10 of the Code of Civil Procedure because the dispute involved evacuee property and the civil court lacked jurisdiction. That order attained finality after appellate and revisional remedies were exhausted.

More than six and a half years later, the respondents instituted another suit seeking cancellation of the same gift deed. The suit was decreed in 1980, and the appellate court and Lahore High Court upheld that decree. Civil Appeal No. 263 of 2015 arose from those judgments.

The connected appeal concerned additional land allotted to Nawab Bibi in 1971 and transferred to her through Mutation No. 90 dated 21 May 1974. The respondents obtained Mutation No. 10 for a 3/8 share on the basis of their alleged collateral relationship with Abdul Karim. The appellants' challenge to that mutation failed before all three courts below, producing Civil Appeal No. 264 of 2015.

The settlement statute controlled the dispute

The Court began with the purpose of the Displaced Persons (Land Settlement) Act, 1958. The enactment provided permanent settlement on land to displaced persons as compensation for losses caused by expropriation of property in India. Eligibility therefore depended on the claimant qualifying as a displaced person.

The record showed that Nawab Bibi had applied and received the allotments in her own capacity as a displaced person. The respondents did not plead that they had migrated from India or independently qualified as displaced persons. Nor did they make their own claim before the rehabilitation authorities.

This distinction was decisive. The land allotted in Pakistan was not automatically the entire estate of Abdul Karim carried forward into a new location. It was a statutory allotment made to Nawab Bibi after verification of her own claim and status.

Civil-court jurisdiction was expressly barred

Section 25 of the Act of 1958 barred civil and revenue courts from deciding matters that the federal or provincial government, or an officer appointed under the Act, was empowered to determine. The Act instead provided its own machinery.

Section 14 empowered the relevant officer to settle displaced persons on land after verification of claims. Section 14(1-A) permitted recall or cancellation where information showed that an allottee's claim was bogus or fraudulent. Sections 18 and 19 supplied remedies of appeal and revision.

Once the first plaint was returned in 1965, the respondents could have challenged the allotment through those statutory remedies. They did not do so. Their second civil suit again challenged the gift without first dislodging the allotment order on which Nawab Bibi's title rested. The Supreme Court held that the second suit was not maintainable before the civil court.

The second suit was also time-barred

The Court applied Article 91 of the Limitation Act, 1908, which prescribed three years for a suit to cancel or set aside an instrument, running from the date when the facts entitling the plaintiff to seek cancellation became known.

The respondents knew of the gift deed in 1963 because they challenged it within weeks of its execution. Yet the later suit was instituted on 8 May 1970. The Court therefore held that the suit was *ex facie* beyond limitation.

The judgment is a reminder that returning a plaint does not suspend limitation indefinitely or permit a litigant to restart the same challenge years later in a forum already found to lack jurisdiction. A party must pursue the correct statutory remedy within the applicable time.

Permanent allotment created absolute title

Section 16 of the Act of 1958 provided that land on which a displaced person was permanently settled vested absolutely in that person, notwithstanding any other law. The Supreme Court treated this language as conferring exclusive proprietary rights, including the power to sell, mortgage, gift or otherwise alienate the property.

Section 22 gave finality to orders made under the Act, subject to the statutory remedies. Because Nawab Bibi's allotment order was never challenged through the settlement framework, it continued to hold the field and could not be questioned indirectly in an ordinary civil or revenue proceeding.

The official allotment document also carried a presumption of truth unless rebutted. On the record before the Court, the registered gift followed from Nawab Bibi's absolute title. The respondents had not established a legal basis for treating her as a limited owner of the allotted land.

Why the collateral-heir claim failed

The Supreme Court addressed the respondents' inheritance theory on its own terms and identified three separate difficulties.

First, the allotment arose from Nawab Bibi's status as a displaced person, not from a representative claim on behalf of every alleged heir of Abdul Karim. The respondents neither claimed displaced-person status nor applied independently for alternate land.

Second, even if the allotment were connected with property Abdul Karim left in India, Nawab Bibi had inherited her own prescribed share in his estate. Her claim before the rehabilitation authority could therefore relate to her personal share rather than to the entire estate in a representative capacity. The respondents produced no material showing that the allotment corresponded to Abdul Karim's whole estate.

Third, the respondents did not prove their entitlement as collateral heirs. Their alleged relationship was remote, and they did not establish a complete line of succession or exclude nearer heirs with preferential rights. The Court noted that a remote collateral claim requires strong and reliable oral and documentary evidence, including appropriate family records.

The Court also referred to the principle of radd. In the circumstances described in the judgment, the residue after distribution of prescribed shares would ordinarily return to the Quranic sharers in the absence of an agnatic residuary, rather than pass to distant collaterals. On the respondents' own case, their asserted relationship did not establish a right to the allotted property.

Concurrent findings did not prevent intervention

The Supreme Court restated that it does not ordinarily interfere with concurrent findings of fact. But concurrence is not a shield where the courts below have misread or failed to read material evidence, or have misapplied or failed to apply the governing law.

Here, the courts below overlooked the final 1965 order, the statutory bar on civil jurisdiction, the limitation period, the absolute character of the allotment and the respondents' failure to prove either displaced-person status or collateral entitlement. The Supreme Court held that those errors justified setting aside the concurrent judgments.

The connected mutation appeal

Civil Appeal No. 264 of 2015 applied the same principles to the additional allotment. The land had been allotted to Nawab Bibi in her own capacity, and the respondents never challenged that allotment through sections 14(1-A), 18 or 19 of the Act of 1958.

The allotment therefore conferred absolute title under section 16 and attained finality under section 22. The revenue authorities could not treat the land as part of Abdul Karim's entire leftover estate and mutate a 3/8 share in favour of alleged collaterals.

The Supreme Court accordingly cancelled the disputed mutation to that extent and directed the revenue authorities to record the share in the appellants' names.

What the judgment does not decide

The ruling does not mean that every allotment made by a rehabilitation authority is immune from challenge. The Act itself provided recall, appeal and revision mechanisms, including action against a bogus or fraudulent claim. The decisive problem was that the respondents did not use those remedies and allowed the allotments to attain finality.

The judgment also does not declare that collateral heirs can never inherit. It holds that the particular respondents did not prove their alleged status, the absence of nearer heirs or any independent entitlement to the disputed allotments.

Nor does the decision treat every official document as conclusive. It recognizes a presumption of truth that may be rebutted by legally sufficient material through the proper proceedings.

Practical significance

Parties disputing evacuee-property or displaced-person allotments should identify the legal source of title before framing relief. If title originates in a statutory allotment, a challenge to a later gift, sale or mutation may fail unless the underlying allotment is first attacked through the forum and remedy provided by the settlement law.

Limitation should be calculated from the correct date of knowledge and for the precise relief sought. A previous suit can itself establish knowledge of the disputed instrument.

For inheritance claims by remote collaterals, pleadings alone are insufficient. The claimant should establish the complete pedigree, rule out nearer heirs, prove the applicable rule of succession and connect the claimed estate to the property in dispute through reliable records.

Revenue authorities should not mutate a share contrary to an operative statutory allotment without a competent order setting that allotment aside. Civil courts should likewise examine any express jurisdictional bar before adjudicating title derived from a special statutory scheme.

Conclusion

Noor Ahmed v. Mst. Rashida Bibi is an important Supreme Court judgment on displaced-person allotments, civil-court jurisdiction, limitation, statutory finality and proof of collateral inheritance.

Its central rule is that permanent settlement under section 16 of the 1958 Act vested the allotted land absolutely in the displaced person. Because Nawab Bibi's allotments were never lawfully displaced, the respondents could not defeat her title through a repeated and time-barred civil challenge to her gift or through a revenue mutation founded on an unproved collateral claim.

This commentary is independent legal analysis for research and general information. The supplied judgment, current statutory law and any subsequent judicial treatment should be checked before reliance in proceedings.