

LPA no.60 of 2017 (O&M) 1

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

**LPA no.60 of 2017 (O&M)
Date of Decision : 22.05.2017**

Som Nath and others

....Appellant(s)

Versus

Registrar, Cooperative Societies, Punjab and others

...Respondent(s)

**CORAM : HON'BLE MR.JUSTICE MAHESH GROVER
HON'BLE MR JUSTICE DR. SHEKHER DHAWAN**

Present : Mr.H.S.Grewal, Advocate for the appellant

MAHESH GROVER, J.(ORAL)

This appeal is directed against the judgment of the learned Single Judge dated 8.11.2016.

The appellants are a society which was granted Nazool land. Some of this land measuring 15 bighas and 15 biswas was acquired by the Ministry of Railway and compensation to the tune of Rs.2.71 crores was received in lieu thereof by the Society. The members of the Society through a resolution decided to appropriate this amount and accordingly the entire amount was pocketed by the individual members of the Society. The learned Single Judge held this action to be inappropriate in view of the provisions of Section 41 of the Cooperative Societies Act and Rule 35(1) of the Punjab Cooperative Societies Rules 1963.

Learned counsel for the appellants contends that since the land

belonged to the members of the Society they are very well within their rights

to appropriate the amount of compensation in the manner they have done. He further refers to the notification which has been appended to the misc. application empowering the members of the Society to propriety rights of Nizool land.

After hearing learned counsel for the appellants, we are of the opinion that the judgment of the learned Single Judge does not warrant any interference in view of the categoric provisions of Section 41 of the Cooperative Societies Act and Rule 35(1) of the Punjab Cooperative Societies Rules 1963. Even though strictly speaking the compensation granted by the Ministry of Railway cannot be construed to be a profit, bonus or dividend but the fact remains that this amount could have been utilized only for the benefit of the Society in accordance with the bye laws. The members of the Society had no authority to divide this amount amongst themselves, particularly, in the absence of any propriety claim to the share of the members when the entire land granted to the Society continued to exist in the name of the Society alone.

In view of above, instant appeal is hereby dismissed.

(Mahesh Grover)
Judge

(Shekher Dhawan)
Judge

22.05.2017

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Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No