2026:PHHC:051443

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

Date of decision: 02.04.2026

(I) CWP-31375-2019

RAJNEESH SHARMA

...Petitioner(s)

VERSUS

ADVISER TO THE ADMINISTRATOR, CHANDIGARH ADMINISTRATION AND OTHERS

...Respondent(s)

(II) CWP-31435-2019

PAWAN KUMAR

...Petitioner(s)

VERSUS

ADVISER TO THE ADMINISTRATOR, CHANDIGARH ADMINISTRATION AND OTHERS

...Respondent(s)

(III) CWP-31439-2019

HARISH KUMAR

...Petitioner(s)

VERSUS

ADVISER TO THE ADMINISTRATOR, CHANDIGARH ADMINISTRATION AND OTHERS

...Respondent(s)

(IV) CWP-31452-2019

DINESH KUMAR

...Petitioner(s)

VERSUS

ADVISER TO THE ADMINISTRATOR, CHANDIGARH ADMINISTRATION AND OTHERS

...Respondent(s)

(V) CWP-31467-2019

SHAM SUNDER SETHI

...Petitioner(s)

VERSUS

ADVISER TO THE ADMINISTRATOR, CHANDIGARH ADMINISTRATION AND OTHERS

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

Present:- Mr. Abhishek Sharma, Advocate and
Ms. Shrinkhla, Advocate for the petitioner.

Ms. Priyanka Kansal, Additional Standing Counsel and
Mr. Karanvir Singh, Junior Panel Counsel
for respondents No.1, 2 and 4 in CWP-31375-2019,
CWP-31435-2019, CWP-31452-2019 and CWP-31467-2019.

Mr. Ashish Rawal, Additional Standing Counsel
for the respondents No.1, 2 and 4 in CWP-31439-2019.

Mr. Raj Kaushik, Advocate for respondent No.3.

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JASGURPREET SINGH PURI, J. (Oral)

1. All the five Civil Writ Petitions, being similar, are taken up together for final disposal with the consent of learned counsels for the parties.

2. All the Civil Writ Petitions have been filed under Articles 226/227 of the Constitution of India seeking issuance of a writ in the nature of *certiorari* for quashing the impugned order dated 12.07.2018 (Annexure P-6) and impugned order dated 24.05.2019 (Annexure P-9), whereby the revision petitions filed by the petitioners were dismissed by respondent No.1.

3. For the sake of convenience, the facts are being taken from CWP-*31375-2019*, titled as *Rajneesh Sharma versus Adviser to the Administrator, Chandigarh Administration and others.*

4. Mr. Abhishek Sharma, learned counsel for the petitioner, while giving the brief facts of the case, submitted that the petitioner had taken a loan from respondent No.3-The Chandigarh State Federation of Cooperative House Building Societies Limited (hereinafter referred to as 'Housefed') to the tune of about Rs.5 lakhs and thereafter, he could not return the amount in time and therefore, proceedings were initiated by respondent No.3-Housefed against him under the provisions of Section 55 and 56 of the Punjab Cooperative Societies Act, 1961, as applicable to U.T., Chandigarh. He further submitted that at the time of the aforesaid proceedings before the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh, the petitioner stated that he had already deposited an amount of Rs.92,135/- and he cannot continue with the repayment of monthly installments due to his financial/domestic circumstances and recovery of the total outstanding amount including interest may be made after selling the property mortgaged in favour of respondent No.3-Housefed against the loan taken by him because he is not in a position to repay the outstanding installments and the balance amount of loan and in view of the aforesaid statement made by the petitioner before the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh, it was directed vide Annexure P-2 dated 24.05.2005 to respondent No.3-Housefed to recover the total amount outstanding of Rs.11,18,088.15/-, which includes Rs.4,79,061.75/- as principal, Rs.2,88,303.80/- as interest, Rs.1,27,105/- as penal interest and Rs.2,23,617.60/- as costs. He further submitted that the aforesaid total outstanding amount was stated by respondent No.3-Housefed before the Assistant Registrar/Arbitrator, Cooperative Societies, U.T.,

Chandigarh, which included not only interest but also penal interest and costs but the aforesaid amount could always have been recovered from the petitioner by way of selling the mortgaged property and this was rather so reflected in the last paragraph of the aforesaid order dated 24.05.2005 that the outstanding amount is to be recovered by selling the property of the petitioner, which was mortgaged in favour of respondent No.3-Housefed.

5. Learned counsel for the petitioner submitted that thereafter, respondent No.3-Housefed kept silent for about 10 years and did not sell the property and on the other hand, the petitioner could not himself have sold the property because there was a direction from the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh to respondent No.3-Housefed to sell the property and in this way, nothing happened for about 10 years but it was in the year 2015 that respondent No.3-Housefed filed an execution application vide Annexure P-3 and the learned Executing Court, who was the Additional Registrar, Cooperative Societies, U.T., Chandigarh, vide impugned order dated 12.07.2018 (Annexure P-6), directed the Sale Officer i.e. Naib Tehsildar to sell the mortgaged property and hand over the sale consideration to the decree-holder, which will transfer the excess amount in the account of the petitioner, who was the judgment-debtor. However, in addition to the aforesaid order, the Additional Registrar, Cooperative Societies, U.T., Chandigarh, exercising the powers of Registrar, Cooperative Societies, U.T., Chandigarh as an Executing Court also directed that respondent No.3-Housefed/decree-holder was granted liberty to file a separate application to claim interest from the petitioner/judgment-debtor, as per law.

6. Learned counsel for the petitioners submitted that the petitioners in all the cases are aggrieved by the portion of the aforesaid order which granted liberty to respondent No.3-Housefed to claim interest from them, which was not permissible under the law as the learned Executing Court could not have travelled beyond the award passed vide Annexure P-2 because in the award, the total amount was comprehensive which included not only the principal amount but also interest, penal interest and costs and no future interest was granted but it was because of the default of respondent No.3-Housefed that the matter remained pending for about 10 years and thereafter, liberty was granted to respondent No.3-Housefed by the learned Executing Court and that portion of the order, whereby liberty was granted is liable to be set aside being in violation of law as the learned Executing Court has travelled beyond the award.

7. Mr. Sharma submitted that it was in pursuance of the aforesaid liberty granted vide Annexure P-6 that respondent No.3-Society exploited the said liberty and filed application for award of future interest @ 19.50% vide Annexure P-7, which is still pending. In the meantime, the petitioner filed a revision petition before the Adviser to the Administrator, Chandigarh Administration, U.T., Chandigarh, who dismissed the same vide impugned order dated 24.05.2019 (Annexure P-9) by observing that the Additional Registrar, Cooperative Societies, U.T., Chandigarh has not passed any order regarding future interest and has granted only the aforesaid liberty to respondent No.3-Housefed as per law.

8. Learned counsel for the petitioner submitted that although only liberty was granted to respondent No.3-Housefed to file a separate application

to claim interest but the fact remains that the learned Executing Court has travelled beyond the award itself and no such liberty could have been granted and in this way, further litigation has arisen and it was the default of respondent No.3-Housefed that the property of the petitioner was not sold in the year 2005 and after about 10 years, such an execution application was filed in which liberty was granted and therefore, to the aforesaid extent of grant of such liberty, the impugned order may be set aside.

9. On the other hand, Ms. Priyanka Kansal, learned Additional Standing Counsel for U.T., Chandigarh in CWP-31375-2019, CWP-31435-2019, CWP-31452-2019 and CWP-31467-2019, Mr. Ashish Rawal, learned Additional Standing Counsel for U.T., Chandigarh in CWP-31439-2019 and Mr. Raj Kaushik, learned counsel for respondent No.3-Housefed have jointly submitted that no relief can be granted to the petitioner as only liberty has been granted to file a separate application to claim interest as per law but there is no direction that future interest is to be awarded and therefore, the present petitions are misconceived and liable to be dismissed.

10. I have heard the learned counsels for the parties.

11. The broad facts of the present cases are not in dispute. The only point for consideration is whether the learned Executing Court could have even granted liberty to respondent No.3-Housefed to file an application seeking future interest, in pursuance of which respondent No.3-Housefed filed an application for grant of interest @ 19.50% vide Annexure P-7. During the arbitration proceedings under Section 55 and 56 of the Punjab Cooperative Societies Act, 1961, as applicable to U.T., Chandigarh, an award was to be

passed by the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh and the petitioner who was the borrower had rather submitted before the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh that he did not have any money and that his property, which was already mortgaged to respondent No.3-Housefed can be sold and proceeds thereafter be given to him. The outstanding amounts were also ascertained before the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh to the extent of Rs.11,18,088.15/-, which included Rs.4,79,061.75/- as principal, Rs.2,88,303.80/- as interest, Rs.1,27,105/- as penal interest and Rs.2,23,617.60/- as costs in CWP-31375-2019, to the extent of Rs.15,17,493.05/-, which included Rs.6,46,139.70/- as principal, Rs.4,26,670.45/- as interest, Rs.1,45,184.40/- as penal interest and Rs.3,03,498.50/- as costs in CWP-31435-2019, to the extent of Rs.16,33,026.10/-, which included Rs.6,95,863.45/- as principal, Rs.4,54,445.45/- as interest, Rs.1,56,112/- as penal interest and Rs.3,26,605.20/- as costs in CWP-31439-2019, to the extent of Rs.16,33,026.10/-, which included Rs.6,95,863.45/- as principal, Rs.4,54,445.45/- as interest, Rs.1,56,112/- as penal interest and Rs.3,26,605.20/- as costs in CWP-31452-2019 and to the extent of Rs.11,30,300.15/-, which included Rs.4,81,652.55/- as principal, Rs.2,95,482.60/- as interest, Rs.1,27,105/- as penal interest and Rs.2,26,060/- as costs in CWP-31467-2019. There was no provision for any order with regard to the grant of future interest. Thereafter, respondent No.3-Housefed remained silent for about 10 years. During this period, the petitioner himself could not have sold the property, which was mortgaged to respondent

No.3-Housefed because the order passed by the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh had directed respondent No.3-Housefed to sell the property of the petitioner for recovery of the outstanding amount and in this way, nothing happened for about 10 years and after this period, respondent No.3-Housefed filed an application for execution, in which the learned Executing Court again directed respondent No.3-Housefed to recover the amount by selling the property but at the same time granted liberty to file a separate application to claim interest as per law, which appears to be an interest which was not included in the award. In this way, the learned Executing Court vide Annexure P-6 has clearly travelled beyond the award itself.

12. It was argued by the learned counsels for the respondents that the learned Executing Court, who was the Additional Registrar, Cooperative Societies, U.T., Chandigarh, has only granted liberty to file a separate application as per law and therefore, the present petitions are misconceived, whereas the argument raised by the learned counsels for the respondents itself is misconceived. Since the learned Executing Court could not have travelled beyond the award, there was no occasion for the learned Executing Court to have even granted such liberty, which has actually perpetuated the litigation and according to the learned counsels for the parties, such an application is still pending in all the cases. Had it been a case that the petitioner was at fault and there was some contribution to be made by the petitioner for the purpose of selling the property, then the situation would have been different but as per the order passed by the Assistant Registrar/Arbitrator, Cooperative Societies, U.T., Chandigarh, the mortgaged property was to be sold by respondent No.3-

Housefed, which did not take any action for about 10 years and after remaining silent for about 10 years, when it filed the execution application, then such liberty was granted by the learned Executing Court, which is purely contrary to law and not permissible.

13. This Court is of the considered view that such a liberty granted by the learned Executing Court vide impugned order dated 12.07.2018 (Annexure P-6) is not sustainable and therefore, that portion of the order is liable to be set aside. As a consequence of the same, the order dated 24.05.2019 (Annexure P-9) passed by the Adviser to the Administrator, Chandigarh Administration, U.T., Chandigarh, is also liable to be set aside.

14. Consequently, all the Civil Writ Petitions are allowed. The impugned order dated 24.05.2019 (Annexure P-9), passed by the Adviser to the Administrator, Chandigarh Administration, U.T., Chandigarh, in all the petitions, is hereby set aside. However, the impugned order dated 12.07.2018 (Annexure P-6) passed by the Additional Registrar, Cooperative Societies, U.T., Chandigarh, in all the cases, is set aside to a limited extent, whereby liberty has been granted to respondent No.3-Housefed to file a separate application to claim interest from the petitioners as per law.

15. A photocopy of this order be placed on the files of other connected cases.

(JASGURPREET SINGH PURI)
JUDGE

02.04.2026
Chetan Thakur

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