



LPA-1477-2017 (O&M) 1

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

**(210) LPA-1477-2017 (O&M)
Date of Decision : January 12, 2026**

The Nilokheri Kisan Coop Agricultural Society Ltd. .. Appellant

Versus

**The Financial Commissioner and Principal Secretary, Cooperative
Department, Government of Haryana, Chandigarh and others**

.. Respondents

**CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI**

Present: Mr. Saket Bhandari, Advocate, for the appellant.

Mr. Sandeep Chhabra, Addl. A.G., Haryana.

**Mr. G.S. Bal, Senior Advocate, with
Mr. Avtar Singh, Advocate and
Mr. Vipul Aggarwal, Advocate, for respondent No.4.**

HARSIMRAN SINGH SETHI J. (ORAL)

1. In the present appeal, the challenge is to the order dated 22.03.2017 passed by the learned Single Judge in CWP No.15073 of 2012 by which, the auction in favour of the respondent No.4 has been found to be valid and direction was given to get the sale deed registered upon deposit of the remaining amount.

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

3. A permission was sought by the appellant-Cooperative Society from relevant authorities for selling of land and Bhawan which are in

**LPA-1477-2017 (O&M) 2**

question keeping in view the financial crisis, it had been suffering from on account of loan taken by Society. Before the approval was obtained by the Society from the authorities concerned, the Society by way of an auction, sold the land and Bhawan in favour of the respondent No.4 for a sale consideration of Rs.6,80,000/-.

4. In pursuance to the said auction, a total sum of Rs.1,70,000/- was deposited by respondent No.4 with the appellant-Cooperative Society being 25% of the total sale amount which partial amount of consideration was accepted by them. Thereafter, on 01.03.2004, a letter was written by the Society to the Assistant Registrar, Cooperative Society, Karnal for approval of the said auction.

5. It may be noticed herein that the possession of the purchased land and Bhawan was given to respondent No.4, who had renovated the said place to be used as residential accommodation and it is a conceded position that even as of now, he is living in the said premises.

6. Thereafter in the year 2009 i.e. after a period of seven years of the auction of property in question and handing over of the possession of the same, the President of the Society made a complaint on 23.03.2009 to the Assistant Registrar Cooperative Society that he be allowed to return Rs.1,70,000/- to respondent No.4 which he had deposited initially after the auction and get the property back from respondent No.4.

7. The said dispute raised by the Society was decided by the Deputy Registrar Cooperative Society, Karnal vide Award dated 24.02.2010 holding that the Society cannot seek the said relief of returning Rs.1,70,000/- to respondent No.4 so as to get the property in question back

**LPA-1477-2017 (O&M) 3**

rather the Society should take the remaining amount of Rs.4,90,000/- from respondent No.4 and execute the sale deed in his favour.

8. Against the said order dated 24.02.2010 passed by the Deputy Registrar Cooperative Society Karnal, an appeal was preferred before the Registrar Cooperative Society wherein, the said order passed by the Deputy Registrar was set aside on the ground that the proper procedure envisaged under law to sell the property in question has not been adopted and Society was directed to return the amount back to respondent No.4 along with interest while terming the said sale deed as bad .

9. Against said decision of Registrar Cooperative Society, a revision petition was filed by respondent No.4, which revision petition was ultimately dismissed. Against the said order passed by the Registrar Cooperative Society as well as the order passed in revision, the writ petition was filed by respondent No.4.

10. The learned Single Judge while adjudicating upon said issue held that the only reason for not getting the sale deed registered was non grant of approval by the State qua the auction of property in question wherein the property was purchased by respondent No.4 and as per the terms, Rs.1,70,000/- being 25% of total sale amount was deposited and even the possession of property in question was given to respondent No.4. The learned Single Judge held that once the formalities of the auction were completed and the amount of consideration was accepted and the possession of said property in question was given and the said land has been turned into a residential accommodation by respondent No.4 and even on the date of decision of the learned Single Judge which has been impugned herein,

**LPA-1477-2017 (O&M) 4**

respondent No.4 was still using the property in question as his residential place, the order passed by the Deputy Registrar dated 24.02.2010 directing the auction purchaser i.e. respondent No.4 to deposit the remaining amount was held to be perfectly valid and legal and the order passed by the Registrar as well as the revisional authority were set aside.

11. In the appeal, the only argument raised by the appellant-Cooperative Society is that the auction in favour of respondent No.4 qua property in question was never finalized and therefore, directing the said auction to be treated as final so as to deposit the remaining amount by the learned Single Judge is incorrect.

12. We have heard learned counsel for the parties and have gone through the record with their able assistance.

13. It may be noticed that till the year 2009 i.e. for a period of seven years, the appellant-Cooperative Society not only held the auction but sold the property in favour of respondent No.4 and got a sum of Rs.1,70,000/- out of the total sale consideration of Rs.6,80,000/-. Further, it is a conceded fact that the possession of the property was also given by the appellant-Society to respondent No.4 and he has already renovated the said property as residential property and is living in it. It is also a conceded fact that the appellant-Society wrote to the Government to give approval to the auction in favour of respondent No.4. It was only after a period of seven years, the President of the Society raised a dispute to seek the property in question back while refunding the amount of Rs.1,70,000/- to respondent No.4 which claim was not accepted by the Deputy Registrar vide order dated 24.02.2010. The reasons given by the Registrar to set aside the order

**LPA-1477-2017 (O&M) 5**

passed by the Deputy Registrar is that the auction was never finalized as due procedure was not adopted while holding the auction. In case the said order is allowed to hold the field, it will create irreparable loss for the auction purchaser as the auction purchaser was ready to deposit the remaining amount of sale consideration which was not accepted by the Society on the ground that the approval for the auction was not being given by the Government. After a period of two decades, respondent No.4 cannot be told that the auction was bad whenever possession of the property was given and nature of the same has been changed by respondent No.4.

14. In case the auction was not finalized for want of approval, the amount of Rs.1,70,000/- as a part of sale consideration should not have been accepted by the appellant-Cooperative Society and the possession of the property should not have been delivered to respondent No.4. Once the possession of the property has been delivered to respondent No.4 after accepting the above amount coupled with the fact that for the last more than two decades, respondent No.4 is residing in the said property after converting the property into residential property, now asking him to return the property back on the ground that the auction was bad due to non approval of the same by the Government, the same will cause hardship for a person, who has been using the property for his residential purpose for past years.

15. Further, appellant itself conducted the auction, handing over the property to respondent No.4 and reconsidered the grant of approval to the auction hence, how can Society now challenge the order of the learned Single Judge, which accepts the auction in favour of respondent No.4.



LPA-1477-2017 (O&M) 6

16. Keeping in view the totality of the circumstances, no ground is made out for any interference by this Court.

17. Accordingly, the appeal is dismissed.

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

**(HARSIMRAN SINGH SETHI)
JUDGE**

January 12, 2026
harsha

**(VIKAS SURI)
JUDGE**

Whether speaking/reasoned : Yes
Whether reportable : No