



IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No. 3699/2026
Decided on: 05.05.2026

Krishni Devi

.....**Petitioner**

Versus

The Kangra Co-operative Agriculture
 Primary Rural Development Bank & others **..Respondents**

Coram

Ms. Justice Jyotsna Rewal Dua

Whether approved for reporting?¹

For the Petitioner: Mr. K.S.Gill, Advocate.

For the Respondents: Mr. Narender Singh, Advocate
 for respondents No. 1 & 2.

Mr. L.N. Sharma, Additional
 Advocate General, for
 respondent No.3.

Jyotsna Rewal Dua, Judge

Petitioner is 72 years old lady and owned land/
 property comprised in Khata Khatoni No. 86/201 &
 84/199, situated at Mohal Sour, Hadbast No.41/26, Sub-
 Tehsil Bhota, District Hamirpur, H.P. It is her case that her
 husband late Sh. Babu Ram had availed loan amounting
 to ₹4.50 lakhs from the respondent bank in the year
 1998. Some installments were statedly paid by
 petitioner's husband towards repayment of loan.
 Petitioner's husband passed away in the year 2003.

¹Whether reporters of print and electronic media may be allowed to see the order? Yes.



According to the petitioner- respondent bank, kept on adding interest on the loan amount during the years that followed. The loan account as on 09.01.2026 was reflected at ₹36,62,431/-. In the year 2011, the respondent bank purchased the land in question that was hypothecated while granting the loan for a meager sum of ₹9,79,849/-. Mutation of the land was thereafter attested in favour of respondent bank. The petitioner seeks quashing of mutation of by her property that has gone to the respondent bank pursuant to the auction proceedings. The relief prayed for by her is as under:-

- i) That mutation in favour of the respondent bank may kindly be quashed and set-aside since, the same was in defiance to Section 27 of the Himachal Pradesh Co-operative Agriculture and Rural Development Banks, 1979.
- ii) That respondent may kindly be directed to re-calculate of the debt, in accordance with the H.P. Debt Reduction Act, 1976.
- iii) That injunction against any auction of the land until the true legal debt is adjudicated in accordance with the H.P. Debt Reduction Act.
- (iv) That the offer of one time settlement may kindly be kept open till the decision of this Hon'ble Court.

2. Pursuant to the orders passed in this writ petition, learned counsel for the respondent bank has placed on record instructions dated 24.04.2026 which inter alia convey as under:-

“That in view of the above statutory position, no official of the bank at the field level, including



the General Manager, is competent to grant such relaxation independently, unless explicitly authorized to do so under a duly approved policy by the RCS, HP, which is applicable in the present case as well.

That the Bank, being custodian of public funds, is bound to strictly adhere to financial norms; and any deviation from applicable regulations would be deemed unacceptable in the eyes of the law.

That however, without prejudice, the petitioner may be permitted to submit a comprehensive representation before the Managing Committee/Competent Authority of the Bank.

That upon receipt of such representation, the same shall be placed before the competent authority and considered in accordance with applicable policies, and Rule 82 of the Himachal Pradesh Co-operative Societies Rules, 1971, and thereafter, a reasoned and speaking order shall be passed accordingly.

That the answering respondent undertakes to process such representation, if submitted, strictly in accordance with law.

It is respectfully submitted that the relief sought by the petitioner cannot be granted at this level, and the petitioner may be relegated to approach the competent authority in terms of Rule 82 of the applicable Rules, The Himachal Pradesh Co-operative Societies Rules, 1971.

It is respectfully submitted that, under Rule 82, granting any form of exemption or concession deviating from statutory orders and the approved policy framework would not only fall outside the scope of authority but would also constitute a violation of the principles governing financial discipline within co-operative institutions.”

3. Learned counsel for the petitioner submitted that in view of stand taken by the respondent bank as reflected in its instructions dated 24.04.2026, the



petitioner is ready and willing to make representation to the respondents and the respondents be directed to consider and decide the same in accordance with law within the time bound schedule.

Learned counsel for the respondents submits that in case the petitioner represents, an appropriate action in accordance with law would be taken by the respondents in view of instructions already placed on record.

4. Having regard to above submissions, but without examining the merits of the matter, this writ petition is disposed of reserving liberty to the petitioner to represent for respondent No.1 within two weeks whereafter the respondent bank shall process petitioner's representation in accordance with law. The decision on petitioner's representation be taken by the Competent Authority within six weeks from the date of its receipt. The decision so arrived at shall also be communicated to the petitioner.

The writ petition stands disposed of in the above terms, so also the pending miscellaneous application(s), if any.

May 05, 2026
yogesh

Jyotsna Rewal Dua
Judge