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

CWP-19098-2020
Date of decision: 07.07.2021

Harjit Singh and others ....Petitioners

versus

State of Punjab and others ....Respondents

CORAM: HON'BLE MR. JUSTICE FATEH DEEP SINGH

Present: Mr. Dharam Vir Sharma, Senior Advocate with
Mr. Tushar Sharma, Advocate
for the petitioners.

Ms. Simran Grewal, AAG, Punjab
for respondents No.1 to 3-State.

Mr. Naginder Singh Vashisth, Advocate
for respondent No.4.

FATEH DEEP SINGH, J.

Due to outbreak of pandemic COVID-19, the instant case is being taken up for hearing through video conferencing.

The petitioners (in all numbering 09) have come up in the present civil writ petition seeking writ of *mandamus* for issuance of directions to the respondents to hold the elections to the Board of Directors of the Nawanshahr Central Co-operative Bank Limited (herein respondent No.4), Nawanshahr, District S.B.S. Nagar.

The precise claim is that under Section 26 (1B) of the Punjab Cooperative Societies Act, 1961 (in short 'the Act') read with Punjab Cooperative Societies Rules, 1963 (in short 'the Rules') including letters of the Bank stipulates tenure of its Board of Directors would be 5 years and under Section 21 (1C) of the Act, the outgoing Board of Directors are under bounden duty to constitute new Board of Directors, however, nothing tangible was done. It is in consequence of exercise of powers by the Joint Registrar Cooperative Societies an Administrator was appointed under Section 26 (1D) and his term at the most under Section 26 (1D) could not be extended beyond one year and which in the case of present incumbent has expired on 06.06.2020 and, thus, prayed for the relief in question.

The respondents in its tersely worded response took the plea that vide order dated 29.12.2020, the Registrar Cooperative Societies Punjab has ordered amalgamation of District Central Cooperative Banks of the State of Punjab into Punjab State Cooperative Bank Limited, Chandigarh and which approval in amalgamation is under process by the Reserve Bank of India. It is claimed that though the election programme has been prepared on 28.11.2019 and forwarded to the Joint Registrar Cooperative Societies, Jalandhar but on account of pandemic COVID-19 and the deteriorating situation in the country, the same could not be held which is still continuing.

Upon hearing learned counsel for the petitioner and the learned State counsel and on perusal of the records. Undisputedly, the Punjab Cabinet submitted proposal for amalgamation of District Central Cooperative Banks with Punjab State Cooperative Bank Limited, Chandigarh in its meeting on 03.12.2018, wherein, the very objects and reasons were underlined. Furthermore, the Reserve Bank of India vide its Memo No.2733/19.51.007/2019-20 dated 08.06.2020 intimated in principal approval for amalgamation of the same. The Board of Directors of the Punjab State Cooperative Bank and Board of Directors of 14 District Central Cooperative Banks have already voted in favour of the amalgamation leaving only small residue who are reluctant Annexure R-3/1 is illustrative to this.

The vociferous arguments made by the petitioners' side by their counsel Mr. Sharma that election process by way of Annexures P-6 and P-9 was already set into motion and it is by virtue of political reasons, it has been thwarted. The counsel for the respondents has sought to displace the same claiming that said amalgamation is keeping in view the very profitability of the Banks and to control the restricted flow of credit to various areas of the State and for better tax management.

Appreciating the same, Article 162 of the Constitution of India ensures that subject to provisions of the Constitution, the executive powers of the State shall extend to the matters with respect to which the State Legislature has powers to make laws unless and until it is in contradiction to the provisions of the Constitution. In the present case, the Cabinet of the State in its meeting held on 03.12.2018 approved the amalgamation of the Banks keeping in view the objects and reasons which have already been enumerated in Annexure R-3/1. Thus, clearly and plain speakingly, it is for the efficiency and better functioning of the Banks and Financial Management which has been necessitated and approved as well and supported by majority of the District Cooperative Banks. The controlling authorities of the Banks, the Reserve Bank of India, vide its Memo No.2733/19.51.007/2019-20 dated 08.06.2020 in principal approved amalgamation, in light of the recommendations made by the Council of Ministers and which has been duly ordered by way of amalgamation by the Registrar, Cooperative Society Punjab, Chandigarh vide his letter No. 9049 dated 29.12.2020 and, thus, have been implemented and brought into force. The counsel for the petitioners has not challenged the very vires of orders of amalgamation and are purely seeking holding of elections of the Board of Directors of the Nawanshahr Central Cooperative Banks Limited, Nawanshahr, SBS Nagar which has ceased to exist under the Law. Thus, in light of what has come up before this Court, the present petition has been rendered unsustainable and deserves dismissal.

Ordered accordingly.

(FATEH DEEP SINGH)
JUDGE

07.07.2021
Neha

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