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

- 1) CWP-24447-2021
Date of decision: 20.08.2025

Damanpreet Kaur and anotherPetitioners

Versus

State of Punjab and others ...Respondents
- 2) CWP-25618-2021

Kamal DevPetitioner

Versus

State of Punjab and others ...Respondents
- 3) CWP-22714-2022

Damanpreet Kaur and othersPetitioners

Versus

State of Punjab and others ...Respondents
- 4) CM-3277-CWP-2025 in/and
CWP-25855-2022

Sadhu Ram and anotherPetitioners

Versus

Registrar Cooperative Societies Punjab and others ...Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Shiv Kumar, Advocate
for the petitioner(s) (in CWP-25855-2022).

Mr. Ajay Sharma, Advocate
for the petitioner(s) (in CWP-22714-2022).

Ms. Pratibha Bali, AAG, Punjab



for respondent No.1-State.

Mr. A.P.S. Mann, Advocate
for respondents No.3 & 4
(through V.C. in CWP-24447-2021).

Mr. Bikramjeet Singh Sidhu, Advocate
for respondents No.2 to 4 (in CWP-25855-2022).

Mr. Gourav Verma, Advocate
for respondents No.3 & 4 (in CWP-25618-2021).

HARPREET SINGH BRAR, J. (ORAL)

CM-3277-CWP-2025

The present application has been filed under Section 151 CPC for placing on record the order dated 29.10.2024 (Annexure P-17).

In view of the averments made in the application, the same is allowed and order dated 29.10.2024 (Annexure P-17) is taken on record subject to all just exceptions.

Main Case(s)

1. This common order shall dispose of the aforementioned civil writ petitions as they arise from a similar factual matrix. However, for the sake of brevity, the facts are taken from CWP-24447-2021.
2. The instant writ petition has been filed seeking quashing of the impugned letter dated 17.06.2021 (Annexure P-10) issued by respondent No.2-Registrar, Cooperative Societies, Punjab, vide which the decision dated 25.05.2021(Annexure P-7) taken by respondent No.3- Punjab State Cooperative Supply and Marketing Federation Ltd. (hereinafter 'MARKFED') through its Chairman, Board of Directors (Appellate Authority), was not confirmed.
3. Briefly, the facts are that during the financial year 2014-15, when the petitioners were posted in District Office- Rupnagar, a show notice dated 05.10.2015 (Annexure P-2) was issued to them by respondent No.4-Managing



Director, for allegedly selling cattle feed on credit basis, in violation of the MARKFED policy. Four years after issuance of the show cause notice, respondent No.4-Managing Director passed an order dated 22.10.2019 (Annexure P-4) whereby the petitioners and other officials involved were held responsible for causing a loss of ₹6,27,267/- to MARKFED. Accordingly, under Rule 6(A)(ii) of the Punjab State Cooperative Supply and Marketing Federation Employees (Punishment and Appeal) Rules, 1990 (hereinafter 'the Rules'), a minor punishment of recovery of ₹6,27,267/- besides interest and margin/commission, was imposed on the charged officials, including the petitioners.

4. Aggrieved by the same, the petitioners, in all the aforementioned writ petitions, filed their respective appeals before the appellate authority. The said appeals remained pending for several years since November, 2019, causing petitioner No.2 to approach this Court by way of CWP No.21256 of 2020. Vide order dated 22.12.2020 (Annexure P-6), this Court granted eight weeks' time to the respondent-MARKFED to decide the pending appeal. Consequently, respondent No.3-the Appellate Authority, vide order dated 25.05.2021 (Annexure P-7), allowed the said appeal and set aside the punishment order dated 22.10.2019(Annexure P-4) . In pursuance of the same, the respondent-MARKFED also issued a refund of amount recovered on 03.06.2021 (Annexure P-8). Thereafter, the petitioners discovered that respondent No.2 vide impugned letter dated 17.06.2021 (Annexure P-10) has refused to approve the decision dated 25.05.2021 (Annexure P-7) taken by respondent No.3, stating that the same is not based on merits of the case.

5. Learned counsel for the petitioners *inter alia* contends that respondent-MARKFED has already acted upon the order dated 25.05.2021



(Annexure P-7) passed by the respondent No.3-Appellate Authority by issuing refunds of the recovered amount to the petitioners, as discernible from Annexure P-8. Further, Rule 14(d) of the Rules provides for the remedy of revision before respondent No.2-Registrar, within 30 days of passing of decision of the Appellate Authority. Since the respondent- MARKFED did not challenge order dated 25.05.2021 (Annexure P-7) in revision, respondent No.2-Registrar was not justified in intervening in the matter as no statutory provisions or Rules provide that the decision of the Appellate Authority requires confirmation by the Registrar. He further refers to the impugned letter dated 17.06.2021 (Annexure P-10) and submits that respondent No.2 has passed the same in a most cryptic fashion and mechanical manner, in contravention of Rule 14 (d)(iv) of the Rules. It is claimed that respondent No.2 has exercised his *suo moto* power in terms of the amendment dated on 10.07.2018 to the Rules, however, the same requires that an opportunity of hearing be provided to the affected persons before an adverse order is passed against them. Further still, no reasoning or satisfaction has been recorded on merits by respondent No.2-Registrar while passing the impugned order.

6. He further submits that, prior to the amendment carried out on 10.07.2018, no *suo moto* power was vested in respondent No.2-Registrar. Furthermore, the remedy to invoke pursue revision before respondent No.2 is reserved only for the employees. Admittedly, the said amendment was brought into force on 10.07.2018, while the case of the petitioners pertains to the financial year 2014-15. Since the said amendment affects a substantive right of the petitioners, the same cannot be made applicable retrospectively.

7. *Per contra*, learned counsel for the respondent-MARKFED submits that the scope of powers vested in respondent No.2, in terms of the



amended Rules, cannot be adjudicated by this Court as the petitioners have not challenged the amended Rules. Further, the Appellate Authority, vide order dated 25.05.2021 (Annexure P-7), prior to the issuance of impugned letter dated 17.06.2021 (Annexure P-10) by respondent No.2, had partially allowed the appeals filed by the petitioners. Some of the charged employees, including the petitioners, were exonerated while the order of punishment was modified to the extent of stoppage of one increment without cumulative effect, with respect to the others.

8. He further contends that after passing of letter dated 17.06.2021 (Annexure P-10) by respondent No.2, the Appellate Authority order dated 25.05.2021 (Annexure P-7) and passed a fresh order which has not been challenged in the present writ petition(s). However, learned counsel for the respondent-MARKFED could not controvert that respondent-MARKFED had already acted on order dated 25.05.2021 (Annexure P-7) before letter dated 17.06.2021 (Annexure P-10) was issued by respondent No.2-Registrar as well as the fact that the order dated 25.05.2021 (Annexure P-7) was revisited by the Appellate Authority during the pendency of the present petition.

9. Having heard learned counsel for the parties and after perusing the record of the case with their able assistance, it transpires that the respondent No.2-Registrar did not deem it appropriate to confirm the findings arrived at by respondent No.3-Appellate Authority as they were not rendered by appreciating the matter on merits. Curiously, respondent No.2-Registrar has not indicated any reasons for denying approval in the letter dated 17.06.2021 (Annexure P-10) either.



10. It appears that the Rules were amended in the year 2018, as discernible vide letter dated 10.07.2018 (Annexure R-3/1). Rule 14(d)(iv) was added by virtue of the said amendment, which reads as follows:

“Rule 14(iv)

*(a) Notwithstanding anything contained in these Rules, **the Registrar may suo moto at any time**, or on the application of a party presented within 60 days from the date of receipt of the order sought to be impugned, call for and examine, the record of any disciplinary proceedings for the **purpose of satisfying himself** regarding the legality or propriety of any decision or order passed by the punishing or the appellate authority.*

Provided that this provision shall not apply disciplinary cases where the Registrar himself has decided the matter as appellate authority.

*(b) In case, it appears to be Registrar that any such order or decision should be modified, annulled revised, the Registrar may, **after giving the persons affected thereby, an opportunity of being heard**, pass such order thereon as he may deem fit including remitting of the case to the authority which imposed the penalty or to any other officer of the Cooperative Department not below the rank of Additional Registrar with such directions as he may deem necessary.*

(c) Where application is made to the Registrar for revision under clause (a) of this rule, the Registrar may decide the same himself or transfer it for decision to any other officer of the Cooperative Department not below the rank of Additional Registrar, Cooperative Societies.”

(emphasis added)

11. While sub-clause (a) of Rule 14(d) mandates the Registrar to record satisfaction regarding propriety of the decision he has chosen to inspect, in exercise of his *suo motu* powers, sub-clause (b) requires him to provide an opportunity to be heard to the person affected by the said decision. Since a procedure has been duly prescribed, no deviations can be made from the same. As such, the Registrar is required to record his satisfaction on the basis of material available on record and at least assign reasons for concluding that the decision previously taken is improper. Further, a three-Judge bench of the Hon'ble Supreme Court in ***Anuradha Bhasin vs. Union of India (2020) 3 SCC 637*** has laid down the ratio that the procedural safeguards provided under the



statute are required to be mandatorily followed. Speaking through Justice N.V.

Ramana, the following was observed:

"98. We also direct that all the above procedural safeguards, as elucidated by us, need to be mandatorily followed. In this context, this Court in the Hukam Chand Shyam Lal case (supra), observed as follows:

"18. It is well settled that where a power is required to be exercised by a certain authority in a certain way, it should be exercised in that manner or not at all, and all other amodes (sic) of performance are necessarily forbidden. It is all the more necessary to observe this rule where power is of a drastic nature..." (emphasis added)

12. Furthermore, a two-Judge bench of the Hon'ble Supreme Court in *State of Orissa vs. Dhaniram Luhar (2004) 5 SCC 568* has categorically held that passing speaking orders is essential to good administration. Speaking through Justice Arijit Pasayat, the following was observed:

*"7. **Reason is the heartbeat of every conclusion, and without the same it becomes lifeless.** (See *Raj Kishore Jha v. State of Bihar and Ors. (2003 (7) Supreme 152)*).*

8. Even in respect of administrative orders Lord Denning M.R. in *Breen v. Amalgamated Engineering Union (1971 (1) All E.R. 1148)* observed "The giving of reasons is one of the fundamentals of good administration". In *Alexander Machinery (Dudley) Ltd. v. Crabtree (1974 ICR 120)(NIRC)* it was observed: ***"Failure to give reasons amounts to denial of justice". Reasons are live links between the mind of the decision-taker to the controversy in question and the decision or conclusion arrived at". Reasons substitute subjectivity by objectivity.*** The emphasis on recording reasons is that if the decision reveals the "inscrutable face of the sphinx", it can, by its silence, render it virtually impossible for the Courts to perform their appellate function or exercise the power of judicial review in adjudging the validity of the decision. Right to reason is an indispensable part of a sound judicial system; reasons at least sufficient to indicate an application of mind to the matter before Court. Another rationale is that the affected party can know why the decision has gone against him. One of the salutary requirements of natural justice is spelling out reasons for the order made; in other words, a speaking out. The "inscrutable face of a sphinx" is ordinarily incongruous with a judicial or quasi-judicial performance.



*The above position was highlighted by us in **State of Punjab v. Bhag Singh 2004 (1) SCC 547.***" (emphasis added)

Additionally, a two Judge bench of the Hon'ble Supreme Court in **Kranti Associates Pvt. Ltd. vs. Masood Ahmed Khan (2010) 9 SCC 496** has emphasised on the need to pass speaking orders, even by quasi-judicial authorities. Speaking through Justice Asok Kumar Ganguly, the following was opined:

"51. Summarising the above discussion, this Court holds :

a. In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.

b. A quasi-judicial authority must record reasons in support of its conclusions.

c. Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.

d. Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.

e. Reasons reassure that discretion has been exercised by the decision maker on relevant grounds and by disregarding extraneous considerations.

f. Reasons have virtually become as indispensable a component of a decision making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.

g. Reasons facilitate the process of judicial review by superior Courts.

h. The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the life blood of judicial decision making justifying the principle that reason is the soul of justice.

i. Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to



demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.

j. Insistence on reason is a requirement for both judicial accountability and transparency.

k. If a Judge or a quasi-judicial authority is not candid enough about his/her decision making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.

l. Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or 'rubber-stamp reasons' is not to be equated with a valid decision making process.

m. It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision making not only makes the judges and decision makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor (1987) 100 Harward Law Review 731-737).

n. Since the requirement to record reasons emanates from the broad doctrine of fairness in decision making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See (1994) 19 EHRR 553, at 562 para 29 and Anya v. University of Oxford, 2001 EWCA Civ 405, wherein the Court referred to Article 6 of European Convention of Human Rights which requires, "adequate and intelligent reasons must be given for judicial decisions".

o. In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of "Due Process". (emphasis added)

13. Since respondent No.2-Registrar has failed to record his satisfaction and provide a hearing opportunity to the petitioners in terms of Rule 14(iv) of the Rules, the present writ petitions are allowed. Accordingly, the impugned letter dated 17.06.2021 (Annexure P-10) is hereby set aside along with all consequential proceedings arising therefrom.



14. Pending miscellaneous application(s), if any, shall also stand disposed of.
15. A photo copy of this order be placed on the file of connected cases.

(HARPREET SINGH BRAR)
JUDGE

20.08.2025

Neha

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