2025:PHHC:155347

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

Reserved on: 15.10.2025
Pronounced on: 07.11.2025

1. CWP-32047-2019 (O&M)

The Managing Director, Punjab State Co-operative Supply and Marketing Federation Ltd. and another

... Petitioners

Vs.

The Additional Chief Secretary-cum-Financial Commissioner, Cooperation, Punjab and others

... Respondents

2. CWP-33635-2019 (O&M)

The Managing Director, Punjab State Co-operative Supply and Marketing Federation Ltd. and another

... Petitioners

Vs.

The Additional Chief Secretary-cum-Financial Commissioner, Cooperation, Punjab and others

... Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Sumit Jain, Advocate
for the petitioners (in CWP-32047-2019).

Mr. Sarthak Gupta, Advocate and
Ms. Sanya Shergill, Advocate
for the petitioners (in CWP-33635-2019).

Mr. Vikas Arora, DAG, Punjab.

Mr. R.K. Sharma, Advocate
for respondent No.3.

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HARPREET SINGH BRAR, J.

1. This common order shall dispose of both the aforementioned writ petitions, as they arise from a similar factual matrix. However, for the sake of brevity, the facts are taken from **CWP-32047-2019**.

2. Present petition has been preferred under Article 226/227 of the Constitution of India seeking issuance of a writ in the nature of *certiorari* for quashing of the order dated 09.05.2019 (Annexure P-4) passed by respondent No.1, vide which, while allowing the revision petition filed by respondent No.3, the order dated 28.07.2016 (Annexure P-3) passed by respondent No.2 was set aside.

FACTUAL BACKGROUND

3. Briefly, the facts are that in the year 1999-2000, respondent No.3 was custodian of the wheat stock. Admittedly, the wheat stock was damaged and a charge sheet was issued against respondent No.3, as a loss to the tune of Rs.92,84,872/- was caused. Upon inquiry, he was exonerated from the charges framed against him. However, the competent authority did not agree with the findings of the inquiry and gave a dissenting note. Since the reply presented by

respondent No.3 to the dissenting note was found unsatisfactory, a punishment order dated 28.02.2006 (Annexure P-1) for reduction by five lower stages in his time scale of pay with cumulative effect beside recovery of financial loss of Rs.43,44,289/- was passed against him by respondent No.1-Managing Director. Aggrieved by the same, respondent No.3 preferred an appeal before petitioner No.2-Board of Directors, MARKFED, which was dismissed in its meeting dated 05.12.2012 (Annexure P-2).

4. Consequently, respondent No.3 filed a revision petition under Rule 14(d) of the Punjab State Cooperative Supply and Marketing Federation Supplies (Punishment and Appeals) Rules, 1990 (for short 'Rules of 1990') before the Registrar, Cooperative Societies, Punjab and the same was dismissed vide order dated 28.07.2016 (Annexure P-3) by respondent No.2-Additional Registrar (Credit), Cooperative Societies, Punjab. Thereafter, respondent No.3 filed another revision petition before respondent No.1 under Section 69 of the Punjab Co-operative Societies Act, 1961 (for short 'Act of 1961'), which was allowed vide impugned order dated 09.05.2019 (Annexure P-4).

<u>CONTENTIONS</u>

5. Learned counsel for the petitioner(s), *inter alia,* contended that the impugned order has been passed in complete disregard of the statutory bar contained in the Explanation to Section 69 of the Act of 1961, inserted vide Punjab Act No.27 of 2017 w.e.f. 29.12.2017. Clause (iii) of the Explanation

unequivocally provides that no revision shall lie under Section 69 against an order passed under the service rules of a co-operative society, where a remedy of revision already exists under the said service rules. In the present case, the Rules of 1990 governing the petitioner-Federation expressly provide for a revision before the Registrar, Cooperative Societies, Punjab (for short 'RCS, Punjab') and the petitioner had duly availed of such remedy, which stood decided. Accordingly, a second revision under Section 69 of the Act of 1961 was statutorily barred. It was further argued that although the aforesaid Explanation was inserted during pendency of the second revision, the moment it came into force on 29.12.2017, the pending second revision became non-maintainable by operation of law. Additionally, Section 14(d) of the Rules of 1990 categorically stipulates that the order passed by the RCS, Punjab in revision shall be final and binding, thereby foreclosing any further revisional jurisdiction in the matter.

6. It was submitted that respondent No.3 was custodian of the wheat stock at the relevant time and it was his duty to suitably store the same in worthy complexes. If any damage is caused to the said stock due to negligence of the custodian, the custodian ought to bear the entire liability for the same. Merely stating that it was the duty of the preservation staff to maintain the health of the wheat stock would not negate the liability of respondent No.3. Further, all the authorities below respondent No.1 have found respondent No.3 guilty of negligence, that caused the stock to be drenched in rainwater,

resulting in its deterioration. No efforts were made by him to consolidate/collect scattered wheat bags, which were left over despite repeated requests. In fact, some of the rain affected stock were covered by respondent No.3 without proper aeration, which further damaged it. The role of the technical officer is advisory in nature and it is the custodian, who is actually entrusted with preservation of the health of the stock. Respondent No.3 submitted that the stock was stored on unscientific plinths, which has been refuted during cross-examination of PW-1. Moreover, this defence also does not aid respondent No.3 as being the custodian and it was his duty to find appropriate storage. Further still, respondent No.3 claims to have apprised the higher authorities about the deteriorating health of the stock, however, the letters presented did not contain any dispatch number and therefore, cannot be relied upon.

7. *Per contra*, learned counsel for respondent No.3 submitted that the revision petition before respondent No.1 had been filed under Section 69 of the Act of 1961 as it stood prior to the 2017 amendment. The unamended provision, it was argued, expressly conferred concurrent revisional powers upon the State Government and the Registrar, thereby rendering the revision maintainable at the time of its institution. It was further contended that the amendment introduced by Punjab Act No.27 of 2017, including the insertion of Explanation clause (iii), is prospective in operation and was neither intended nor worded to affect revision petitions, that had already been filed and were

pending adjudication before the date of its commencement. Learned counsel placed heavy reliance on a judgment of the Hon'ble Supreme Court in ***Ishwar Singh Vs. State of Rajasthan and others, (2005) 2 SCC 334***, wherein the Court, upon examining the service rules involved therein, held that the concurrent revisional powers conferred upon the Registrar and the State Government are distinct and not interchangeable or co-extensive in nature.

8. Learned counsel for respondent No.3 further submitted that he was exonerated upon inquiry and the relevant authority unreasonably disagreed with the findings rendered on the grounds that the stock was stored on unscientific *kacha* plinths and were not liquidated within 09 months i.e. shelf life of wheat. The petitioner-MARKFED has not contested that the stock was damaged due to protracted storage, as the Food Corporation of India (FCI) had not lifted it within the scheduled timeframe. In fact, petitioner-MARKFED had raised a claim and recovered the loss from FCI, as such, the same amount cannot also be recovered from respondent No.3. Moreover, respondent No.1 upheld the findings of the Inquiry Officer, who observed that the responsibility lay with then District Manager, MARKFED, Ropar and Technical Officer. The District Manager and Technical Officer are responsible for maintaining the health of the stock, hiring scientific plinths and godowns as well as arranging for timely dispatch.

9. Additionally, the arbitral award dated 30.09.2015 passed against respondent No.3 and ex-Branch Manager namely C.S. Longia (respondent

No.3 in CWP-33635) with respect to recovery of loss of the crop year 1999-2000 was set aside by the RCS, Punjab vide order dated 03.10.2016 (Annexure R-3/1), which was also upheld in revision vide order dated 31.05.2018 (Annexure R-3/2) passed by respondent No.1. The validity of the order dated 31.05.2018 (Annexure R-3/2) is currently pending consideration before this Court in CWP-3266-2019 and CWP-3350-2019. It is also not the case of the petitioner-MARKFED that respondent No.3 was involved in pilferage or misappropriation of any kind.

<u>OBSERVATION & ANALYSIS</u>

10. I have heard learned counsel for the parties and perused the record of the case with their able assistance.

11. The Punjab State Cooperative Supply and Marketing Federation framed the Rules of 1990 in exercise of the powers conferred by sub-section (2) of Section 84-A of the Act of 1961 and all other enabling provisions, with the prior approval of RCS, Punjab, for regulating the service conditions of its employees. Rule 14(d) of the Rules of 1990 confers the power of revision upon the RCS, Punjab in all cases, where the Appellate authority is the Board of Directors. Furthermore, the rule clearly states that the order of the RCS shall be ***final and binding*** upon the parties. Rule 14(d) of the Rules of 1990 is reproduced as under:

> *"d) In all such cases where the Appellate authority is the Board of Directors, the aggrieved employee shall have the right to file a revision to the RCS Punjab within a period of 30 days from the*

date of issuing orders by the Appellate authority. ***<u>The orders of the RCS Punjab, on such revision shall be final and binding on both the parties</u>**.”*

(Emphasis supplied)

12. On the other hand, Section 69 of the 1961 Act confers concurrent powers of revision on the State Government *and* the Registrar in cases where no appeal under section 68 lies to the Government or the Registrar, as the case may be. Section 69 is reproduced as under:

“69. Revision:-

***<u>The State Government and the Registrar may, suo moto or on the application of a party to a reference, call for and examine the record of any proceedings in which no appeal under section 68 lies to the Government or the Registrar, as the case may be</u>**, for the purpose of satisfying itself or himself as to the legality or propriety of any decision or order passed and if, in any case it appears to the Government or the Registrar that any such decision or order should be modified, annulled or revised, the Government or the Registrar, as the case may be, may, after giving persons affected thereby an opportunity of being heard, pass such order thereon as it or he may deem fit.”*

(Emphasis supplied)

13. However, by virtue of Punjab Act No.27 of 2017, which came into force on 29.12.2017, an Explanation was inserted to Section 69 of the Act of 1961. Clause (iii) of the said Explanation unequivocally provides that no revision shall lie under Section 69 against an order passed under the service rules of a co-operative society, where a remedy of revision already exists under such service rules. The Explanation to Section 69, as it presently stands, reads as under:

"Explanation :-

(i) The Government shall notify the officers, who shall exercise these powers on behalf of the Government. The Registrar of Co-operative Societies may also notify the officers, who shall exercise these powers on behalf of the Registrar.

(ii) The application of a party to a reference shall not lie before the Registrar, if an order or decision is made in revision by the Registrar or any authority authorized by him in this regard;

(iii) No revision shall lie under section 69 against any order passed under the service rules of the concerned co-operative societies where in a revision is already provided in the service rules of that society; and

(iv) No revision under section 69 shall be available against any office order passed by the Registrar or his subordinates."

(Emphasis supplied)

14. A fundamental rule, while engaging in interpretation of statutes, is to ensure that the legislative intent is not defeated. Moreover, where the provision is spelt out in an unambiguous manner, the same must be interpreted in a way, that is natural and grammatically sound, unless doing so could lead to injustice or absurdity. Where the statute is clear in its intention and terminology, there is no reason to engage in the exercise of interpretation. A Constitution Bench of the Hon'ble Supreme Court in ***Dadi Jagannadham Vs. Jammulu Ramulu, (2001) 7 SCC 71***, speaking through Justice S.N. Variava, observed as under :-

*"**13. We have considered the submissions made by the parties. The settled principles of interpretation are that the Court must proceed on the assumption that the legislature did not make a mistake and that it did what it intended to do. The Court must, as***

> ***far as possible, adopt a construction which will carry out the obvious intention of the legislature.*** *Undoubtedly if there is a defect or an omission in the words used by the legislature, the Court would not go to its aid to correct or make up the deficiency. The Court could not add words to a statute or read words into it which are not there, especially when the literal produces an intelligible result. The Court cannot aid the legislature's defective phrasing of an Act, or add and mend, and, by construction, make up deficiencies which are there."*
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> (Emphasis supplied)

15. Further, a three Judges Bench of the Hon'ble Supreme Court in ***Ajay Kumar Radheyshyam Goenka Vs. Tourism Finance Corporation of India Limited, (2023) 10 SCC 545***, speaking through Justice J.B. Pardiwala, observed as follows:

> *"76. The distinction between a strict construction and a more free one has disappeared in the modern times and now mostly the question is, "what is the true construction of the statute?" A passage in Craies on Statue Law 7th Edn. reads to the following effect:-*
>
> > *"The distinction between a strict and a liberal construction has almost disappeared with regard to all classes of statutes, so that all statutes, whether penal or not, are now construed by substantially the same rules.' All modern Acts are framed with regard to equitable as well as legal principles.' "A hundred years ago", said the court in Lyons' case, "statutes were required to be perfectly precise and resort was not had to a reasonable construction of the Act, and thereby criminals were often allowed to escape.* ***This is not the present mode of construing Acts of Parliament. They are construed now with reference to the true meaning and real intention of the legislature."***
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> *77. At page-532 of the same book, observations of Sedgwick are quoted as under:*
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> > ***"The more correct version of the doctrine appears to be that statutes of this class are to be fairly construed and faithfully***

> ***applied according to the intent of the legislature without unwarrantable severity on the one hand or unjustifiable lenity on the other, in cases of doubt the courts inclining to mercy."*** *"*
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> (emphasis supplied)

16. In view of the above, this Court is of the considered opinion that Rule 14(d) of the Rules of 1990 is clear and unambiguous in providing that where the Appellate Authority is the Board of Directors, a revision shall lie before the RCS, Punjab, whose orders shall be ***final and binding*** upon the parties. The legislature, by employing the expression 'final and binding', has unequivocally manifested its intent to preclude the possibility of a second revision against the order of RCS, Punjab. This legislative intent stands further reinforced and clarified by 2017 amendment to Section 69 of the Act of 1961. The amendment, therefore, merely clarifies the pre-existing legal position and does not expand or alter the scope of Section 69, since a second revision was, in any event, not maintainable in view of the explicit language of Rule 14(d) of the Rules of 1990.

17. Furthermore, the Full Bench of this Court in ***Jasbir Singh Vs. Commissioner (Appeals), Jalandhar Division, 2011(4) RCR (Civil) 1*** examined Section 69 of the Act of 1961, as it stood prior to its amendment in 2017 and summarised its findings as follows:

> *"58. In view of the above discussion, we reach to the following conclusion :-*
>
> *(i) The State Government or the Registrar under Section 69 of the Punjab Act and the State Government under Section*

115 of the Haryana Act can exercise its suo motu revisional jurisdiction on the application made by an aggrieved person, whether he is or not a party to the reference.

(ii) The remedy of revision is barred only in case where appeal against the impugned order lies under Section 68 of the Punjab Act or under Section 114 of the Haryana Act.

(iii) ***The remedy of revision is not barred in those cases where aggrieved person has a right of appeal under the Statutory Service Rules or Common Cadre Rules. An aggrieved party can challenge the order of Registrar or Deputy Registrar passed as an Appellate Authority under the Statutory Rules or Common Cadre Rules by filing a revision under Section 69 of the Punjab Act or under Section 115 of the Haryana Act as no remedy of appeal has been provided under Section 68 of the Punjab Act or under Section 114 of the Haryana Act against such order. But, if the appellate order is passed by the official of the Society and not by the Registrar or Deputy Registrar of the Co-operative Society, no revision is maintainable against such an order. The revision is maintainable only against the order passed by the authority under the Act or a proceeding arising out of the Act and the Rules framed thereunder.***

(iv) The remedy of revision either suo motu or otherwise cannot be invoked against an order passed by the Society. The said power can be exercised against the decision or order passed by the authority under the Act or a proceeding arising out of the Act or the Rules framed there-under.

(v) The suo motu power of revision cannot be exercised by the State Government or the Registrar, as the case may be, where a revision under Section 69 of the Punjab Act or under Section 115 of the Haryana Act itself is not maintainable either on the ground that against the impugned order an appeal has been provided under Section 68 of the Punjab Act or under Section 114 of the Haryana Act or on any other ground. In case the Government or the Registrar, as the case

> *may be, exercise suo motu power of revision on the application of an aggrieved party or otherwise, it must be specifically so stated in the order itself."*
>
> (Emphasis supplied)

18. Thus, the Full Bench of this Court, after examining a catena of judgments, has categorically held that a revision under Section 69 of the Act of 1961 is maintainable against an order of the Registrar or Deputy Registrar passed in their capacity as Appellate Authorities under the Statutory Rules or Common Cadre Rules, since no remedy of appeal has been provided under Section 68 of the Act of 1961 against such orders. In the present case, however, the Appellate Authority was the Board of Directors and the RCS, Punjab exercised its revisional jurisdiction under Rule 14(d) of the Rules of 1990, whose orders are expressly declared to be final and binding. Although the specific question as to the maintainability of a second revision against an order of RCS, Punjab did not fall for consideration before the Full Bench, the principles enunciated therein nonetheless reinforce the interpretation, that accords finality to the orders passed by RCS, Punjab in exercise of its revisional jurisdiction.

19. Moreover, this Court is also of the considered view that the reliance placed by learned counsel for the respondents on the judgment passed by the Hon'ble Supreme Court in ***Ishwar Singh***'s case (*supra*) is misplaced. The said decision was rendered in the context of a distinct set of service rules, which did not contain any provision *pari materia* to Rule 14(d) of the Rules of

1990, which expressly accords finality to the orders passed by the competent authority in exercise of its revisional jurisdiction.

CONCLUSION

20. In view of the foregoing discussion, present petition is allowed and the impugned order dated 09.05.2019 (Annexure P-4) passed by respondent No.1 is hereby set aside. Once a revision has been preferred before the RCS, Punjab against an order of the Board of Directors under Rule 14(d) of the Rules of 1990, the decision rendered by the RCS attains finality and is binding on the parties. Consequently, a second revision against the order of the RCS under Section 69 of the Act of 1961 is not maintainable.

21. However, respondent No.3 shall be at liberty to assail the order dated 28.07.2016 (Annexure P-3) passed by respondent No.2 by availing an appropriate legal remedy before the appropriate forum, in accordance with law.

22. All the pending miscellaneous application(s), if any, shall stand disposed of.

23. Photocopy of this order be placed on the file of connected case.

[HARPREET SINGH BRAR]
JUDGE

07.11.2025
vishnu

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