IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No.20056 of 2026

Date of Decision: 05.11.2026

Puneet Negi .....Petitioner

Versus

Himachal Pradesh State Cooperative Bank Ltd. & others
... Respondents

Coram:
Hon'ble Mr. Justice Sandeep Sharma, Judge.
Whether approved for reporting? [1]

For the Petitioner:	Mr. Pawanish K. Shukla, Advocate.
For the Respondents:	Mr. Raman Jamalta, Advocate, for respondents No.1 to 3. Mr. Rajan Kahol, Additional Advocate General with Mr. Ravi Chauhan & Mr. Anish Banshtu, Deputy Advocates General, for the respondents/State.

Sandeep Sharma, Judge(oral):

Having regard to the nature of dispute and order proposed to be passed, this Court sees no necessity to call for reply on behalf of the respondents, who are otherwise represented by Mr. Raman Jamalta, Advocate and Mr. Rajan Kahol, learned Additional Advocate General.

2. Precisely, the grouse of the petitioner, as has been highlighted in the petition and further canvassed by Mr. Pawanish K. Shukla, learned counsel for the petitioner, is that despite there being

[1] *Whether the reporters of the local papers may be allowed to see the judgment?*

pendency of appeal, having been filed by the petitioner against the award dated 31.03.2026(Annexure P-7), whereby order of attachment of salary dated 02.05.2025 passed by Collector Recovery came to be upheld, Collector (Recovery), Himachal Pradesh State Cooperative Bank Limited, proceeded to pass order of attachment of salary of the petitioner, who was mere guarantor.

3. Having heard learned counsel for the parties and perused material available on record, this Court finds that petitioner herein stood guarantor to respondent No. 7, who had availed personal loan from the respondent Bank. Since there was a default in repayment of loan, recovery proceedings were initiated against the principal borrower (respondent No. 7) as well as the guarantor. Collector (Recovery), H.P. State Cooperative Bank, proceeded to pass order dated 02.05.2025, thereby ordering attachment of salary of the petitioner.

4. Though, being aggrieved and dissatisfied with the aforesaid order, petitioner filed arbitration petition under Sections 72 and 73 of the H.P. Cooperative Societies Act, 1968 **(hereinafter 'Act'),** but same was dismissed vide award dated 31.03.2026 (Annexure P-7). Against aforesaid award, petitioner herein filed appeal in the Court of learned Additional Registrar (Monitoring), Cooperative Societies, Himachal Pradesh, which is pending

adjudication. Vide order dated 05.08.2026 (Annexure P-8), the aforesaid Court, having taken note of factum of pendency of writ petition bearing CWP No. 2821 of 2026, titled ***Kishori Lal v. State of Himachal Pradesh*** & others, proceeded to order that further proceedings in the present case shall be kept in abeyance until the decision of Hon'ble High Court, but while passing such order, interim stay granted against order dated 02.05.2025 was also vacated. After passing of aforesaid order dated 05.08.2026, Collector (Recovery), vide impugned order dated 13.10.2026 (Annexure P-9), proceeded to issue revised salary attachment order of the petitioner, whereby salary of the petitioner was ordered to be attached to the extent of ₹40,000/- per month. In the aforesaid background, petitioner is compelled to approach this Court in the instant proceedings, praying therein for the following main reliefs:-

> " i. That the impugned order dated 05/08/2026 (Annexure P-8) & impugned order dated 13/10/2026 (Annexure P-9) may kindly be set aside and quashed in the interest of justice and fair play till the final disposal of the appeal which is pending adjudication before the learned Appellate Authority;
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> ii. That the impugned award/judgment/order dated 31/03/2026 (Annexure P-7) may kindly be set aside and quashed in the interest of justice and fair play;
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> iii. That the recovery proceedings under Section 3 H.P. Public Money (Recovery of Dues) Act, 2000 by passing the provisions of HP Cooperative Societies Act, 1968 be held bad and illegal and salary attachment order dated 02/05/2025 may

kindly be quashed and set aside in the interest of justice and fair play;

iv. That the petitioner may kindly be declared not liable for paying the due be recovered from the borrower because the petitioner has not given any guarantee to indemnify the while advancing the second loan to the private respondent;

v. That the respondent No.3 may kindly be summoned to produce all the record of the recovery proceedings initiated against the petitioner."

5. During proceedings of the case, learned counsel representing the respondent-Bank fairly stated that direction can be issued to Additional Registrar (Monitoring), Cooperative Societies to dispose of the appeal filed by the petitioner against the award dated 31.03.2026 in a time-bound manner and till then order impugned in present petition can be stayed.

6. Since this Court is convinced that being aggrieved and dissatisfied with the order dated 02.05.2025 passed by Collector (Recovery), petitioner had filed appeal before the competent authority, and such appeal is pending consideration, authority responsible for passing order dated 13.10.2026 ought to have exercised some restraint till the disposal of the appeal, but as has been observed hereinabove, taking advantage of order dated 05.08.2026, respondent- Bank succeeded in procuring order dated 13.10.2026, whereby order of attachment of salary passed by Collector (Recovery) on 02.05.2025 came to be revised and salary of the petitioner was

ordered to be attached to the extent of ₹40,000/- per month, which act does not appear to be justifiable.

7. Consequently, in view of the above, this Court, without going into the merits of the case, deems it fit to dispose of the same with the direction to Additional Registrar (Monitoring), Cooperative Societies, Himachal Pradesh to decide pending appeal of the petitioner titled *Puneet Negi v. H.P. State Cooperative Bank Limited & others*, laying therein challenge to award dated 31.03.2026, expeditiously, preferably within a period of two months and till then, no coercive action shall be taken against the petitioner pursuant to impugned orders dated 13.10.2026 and 05.08.2026. Pending applications, if any, also stand disposed of.

(Sandeep Sharma),
Judge

November 05,2026
(shankar)