



118 IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

LPA-2799-2025 (O&M)
Date of Decision: 16.09.2025

THE NARAINGARH COOPERATIVE MARKETING-CUM-
PROCESSING SOCIETY LTD ... APPELLANT
VS.
SHAMSHER SINGH AND OTHERS .. RESPONDENTS

CORAM: HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA
HON'BLE MR. JUSTICE ROHIT KAPOOR

Present: Mr. Arihant Goyal, Advocate,
for the appellant.

Mr. Pankaj Middha, Addl. A.G.Haryana
for respondents No. 2 to 4.

ASHWANI KUMAR MISHRA, J. (ORAL)

1. This appeal is by the Society arising out of an order passed by learned Single Judge, whereby, direction has been issued to release the retiral benefits payable to respondent No.1-employee.

2. The learned Single Judge has noticed that respondent No.1 was Clerk-cum-Store Keeper, who was appointed in the Society in the year 1982. He retired as Accountant on 31.01.2009. It is much after his retirement that a claim against respondent No.1 was sought to be raised on the basis of some *ex-parte* inquiry proceedings. The appellant thereafter approached the Arbitral Tribunal with a claim for recovery of the amount of Rs.38 lakhs. His claim was disinterestedly pursued and was ultimately allowed to be dismissed for want of prosecution. The Society did nothing to revive such claim. Instead, the Society directed that the retiral benefits be withheld. Considering the fact that respondent No.1 is almost 75 years of age and his retiral dues have remained pending for the last 15 years without

any authority of law, the Writ Court has allowed the claim of respondent No.1 by holding as under:-

“5. From the perusal of the record, it is evident that the petitioner retired on 31.12.2009 and he was issued No Dues Certificate. The respondent filed claim before the Arbitrator against the petitioner and three other persons. The said claim was dismissed in default. The respondent as per its convenience and choice slept over the matter. The respondent did not attempt to revive the case before the Arbitral Tribunal. It appears that either it was conscious decision of the management or an attempt to extend undue benefit to the petitioner and his three colleagues. There was no intention of the respondent to recover alleged amount of Rs.38 lacs. The respondent before this Court is screaming of said amount, just to project that they are concerned or worried for loss. The conduct of the respondent is deprecable. The respondent has no authority to withhold the retiral dues of the petitioner.

6. In the aforesaid backdrop, the respondent is bound to release the retiral dues of the petitioner. Accordingly, the instant petition is allowed and it is hereby directed that the respondent shall release retiral dues of the petitioner within two months from today along with interest @ 6% per annum. The interest would be payable from 27.03.2018 till its payment.”

3. Learned counsel for the Society submits that the 'No Objection Certificate' was wrongly issued and that the amount of Rs.38 lakhs was found due and payable by the employee in question

4. Be that as it may, it is undisputed that respondent No.1 was allowed to retire way back in the year 2009. Till his retirement, no proceedings were ever initiated against him, nor any order of recovery was passed. After his retirement also, no recovery could have been made except by approaching before the Arbitral Tribunal. The proceedings before the Arbitral Tribunal have been dismissed.

5. We find ourselves in agreement with the observations made by the learned Single Judge that withholding of retiral benefits and filing of appeal, etc., are merely attempts on the part of the Society to evade any

responsibility which may arise upon it. The convenient way in which the responsibility is fixed on a retired employee cannot be appreciated. It is a fit case in which an appropriate inquiry ought to be conducted by the higher authorities of the Cooperative Department to ensure as to why the proceedings before the Arbitrator was allowed to be closed and the matter was pursued so disinterestedly.

6. Merely due to a default on the part of the appellant, the right of the employee to receive retiral benefits cannot be interfered with or kept pending for almost 15 years. In such circumstances, the direction issued by the learned Single Judge in favour of respondent No.1 merits approval.

7. A copy of this order shall be forwarded by the Registry to respondents No. 2 and 3 for getting the matter examined and for taking appropriate action against the persons found guilty in the matter.

8. The appeal is, accordingly, dismissed.

9. Pending application(s), if any, also stands dismissed.

(ASHWANI KUMAR MISHRA)
JUDGE

(ROHIT KAPOOR)
JUDGE

16.09.2025
smriti

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No