



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

**121+122+127+247**

**Date of decision: 05.03.2026**

**1. CWP-1422-2026**

Samarjit Singh

....Petitioner

Versus

State of Punjab and others

....Respondents

**2. CWP-1443-2026**

Balbir Singh

....Petitioner

Versus

State of Punjab and others

....Respondents

**3. CWP-6003-2026**

Surinder Singh

....Petitioner

Versus

The Registrar Cooperative Societies, Punjab and others

....Respondents

**4. CWP-5392-2026**

The Bir Rau Ke Multipurpose Cooperative Agriculture Service Society  
Limited

....Petitioner

Versus

State of Punjab and others

....Respondents

**CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

**Present:** Mr. Bachanpreet Singh, Advocate  
for the petitioner in CWP-1422-2026.

Mr. Vishneet Singh Kathpal, Advocate (through V.C.)  
for the petitioner in CWP-1443-2026.

Mr. Balraj Singh Sidhu, Advocate  
for the petitioner in CWP-6003-2026.



Mr. Surinder Garg, Advocate  
for the petitioner in CWP-5392-2026.

Mr. Vikas Arora, DAG, Punjab in all the cases.

Mr. H.S. Bedi, Advocate  
for respondent No.6 in CWP-5392-2026.

**HARPREET SINGH BRAR J. (Oral)**

1. This common order shall dispose of all the aforementioned four writ petitions filed under Articles 226/227 of the Constitution of India, three of which i.e. CWP No.1422 of 2026, CWP No.6003 of 2026 and CWP No.1443 of 2026, have been filed by retired employees of various Co-operative Societies in the State of Punjab, seeking the release of their retiral benefits along with interest for the delayed payment. However, CWP No.5392 of 2026 has been filed by a Co-operative Society itself i.e. The Bir Rau Ke Multipurpose Co-operative Agriculture Service Society, challenging the action of the respondent/authorities in coercing it to release the retiral benefits of its former Secretary, against whom recovery proceedings are pending. The prayers in each of these petitions are as follows:-

**1. CWP No. 1422 of 2026**

The petitioner seeks the issuance of a writ in the nature of *mandamus* directing the respondents to:-

- a) Release the balance admitted retiral dues, being part of his gratuity and leave encashment as the same has been unlawfully withheld.



b) Pay interest on the delayed payment of his retiral dues @ 18% per annum, from the date the amount became due i.e., 31.01.2020, till the date of actual payment.

**2. CWP No. 1443 of 2026**

The petitioner seeks:

a) Issuance of a writ in the nature of *mandamus* directing respondent No.3 to grant interest on the admittedly delayed payment of his retiral benefits.

b) Issuance of a writ in the nature of *certiorari* for quashing of the inquiry report dated 25.04.2023 (Annexure P-5), whereby his claim for interest was rejected.

**3. CWP No. 6003 of 2026**

The petitioner seeks the issuance of a writ in the nature of *mandamus* directing the respondents to release his retiral benefits, i.e. the balance amount of Gratuity, Leave Encashment, Provident Fund as well as pending salary, along with interest on the delayed payment @ 18% per annum from the date of its accrual till actual realization.

**4. CWP No. 5392 of 2026**

This petition has been filed by The Bir Rau Ke Multi-Purpose Co-operative Agriculture Service Society Limited, seeking the following reliefs:

a) Issuance of a writ in the nature of *certiorari* for setting-aside the Show Cause Notice dated 24.12.2025 (Annexure P-7) issued by the office of respondent No.5 (Assistant



Registrar, Co-operative Societies, Nihal Singh Wala, Moga), vide which the petitioner/Society was directed to release the retiral benefits of respondent No.6/Gurjant Singh.

b) Issuance of a writ in the nature of mandamus directing respondents No.1 to 5 to not to compel the petitioner/Society to release the benefits of respondent No.6.

### CONTENTIONS

#### **1. CWP No. 1422 of 2026**

2. Learned counsel for the petitioner (in **CWP No.1422 of 2026**) has, *inter alia*, contended that the petitioner, retired as Secretary of The Swaich Kamalu Multipurpose Co-operative Agriculture Service Society Ltd., District Bathinda, on 31.01.2020, after rendering more than four decades of unblemished service. His service conditions were governed by the Punjab State Co-operative Agricultural Service Societies Service Rules, 1997 (hereinafter referred to as “the 1997 Service Rules”), under which he was entitled to gratuity and leave encashment at par with the employees of the Government of Punjab.

3. Upon retirement, his retiral benefits were duly assessed through a pre-audit conducted on 05.02.2020 (Annexure P-5 in CWP No. 1422 of 2026), and a total sum of ₹11,95,156/- was found payable towards gratuity and leave encashment. This entitlement was repeatedly acknowledged by the respondents in audited balance sheets, official



records etc. However, the respondent-Society released only ₹3.50 lakhs on 11.06.2020 and ₹1.30 lakhs on 17.12.2020, totaling ₹4.80 lakhs, leaving a substantial balance unpaid. The petitioner made repeated representations and served legal notices (Annexure P-6) for the release of the balance amount, which yielded no effective result.

4. Learned counsel for the petitioner further submits that the petitioner was constrained to approach this Court earlier by way of CWP No. 26951 of 2021, which was disposed of vide order dated 05.01.2022 (Annexure P-8) with directions to decide his representation. Due to non-compliance with the aforesaid order, the petitioner was constrained to file COCP No.456 of 2022, during the pendency of which, the respondents passed a speaking order dated 14.03.2022 (Annexure P-9). In the aforesaid speaking order (Annexure P-9), the respondents unequivocally acknowledged that the petitioner is governed by the 1997 Service Rules and that he is entitled to gratuity and retiral benefits at par with employees of the Government of Punjab. Furthermore, the Managing Committee of the respondent-Society was directed to release the balance amount to the petitioner as per the said Rules.

5. It is argued that despite the crystallization and admission of liability, the respondents only released the petitioner's retiral dues partially and in a piecemeal manner. As on 08.12.2025, a total amount of ₹9,05,316/- stood paid, leaving a balance of ₹2,90,000/- unpaid,



which stands admitted by the respondents themselves in the balance sheet (Annexure P-10) supplied to the petitioner.

## **2. CWP No. 1443 of 2026**

6. Learned counsel for the petitioner (in **CWP No.1443 of 2026**) has submitted that the petitioner superannuated from service with the respondent-Society on 31.12.2011 and was entitled to retiral benefits amounting to ₹5,50,000/- towards leave encashment and gratuity. Owing to the deliberate non-release of these dues, the petitioner was constrained to approach this Court on multiple occasions. He initially filed CWP No. 19781 of 2013, which was disposed of vide order dated 13.09.2013 (Annexure P-1 in CWP No. 1443 of 2026) with a direction to the respondents to consider the petitioner's representation. As the said order was not complied with, the petitioner, thereafter, filed COCP No. 986 of 2014, which too came to be disposed of vide order dated 16.10.2015 (Annexure P-2) in view of the fact that a speaking order had eventually been passed. Subsequently, the petitioner approached this Court again by filing CWP No. 3790 of 2016 seeking release of the balance amount of ₹1,30,000/-. During the pendency of the said petition, the respondent-Society cleared the outstanding amount, leading to the withdrawal of the petition with liberty to approach the Registrar, Co-operative Societies (Annexure P-3). Learned counsel submits that the entire amount of ₹5,50,000/- was eventually paid to the petitioner in installments between 04.04.2012 and 30.04.2016; however, no interest was paid on the delayed release of the retiral benefits.



7. Thereafter, the petitioner submitted a representation dated 02.06.2022 (Annexure P-4) claiming interest on the delayed payment of his retiral benefits. The Registrar forwarded the said representation to the Assistant Registrar, Fazilka with directions to conduct an inquiry into the delay in the release of the petitioner's dues. As per the inquiry report dated 25.04.2023 (Annexure P-5), the gratuity and other retiral benefits of the petitioner were released in instalments owing to the poor financial condition of the respondent-Society. The report further noted that the delay in payment occurred due to the non-creation of a gratuity fund by the then office-bearers of the Society and the continuous financial losses suffered by it. In view of the financial health of the respondent-Society, the inquiry report concluded that the petitioner's demand for interest does not appear to be reasonable and could not be acceded to.

8. Learned counsel for the petitioner argues that the aforesaid rejection is illegal and arbitrary. It is contended that financial hardship or losses suffered by the respondent-Society cannot constitute a valid ground for withholding or delaying the payment of statutory retiral benefits. Placing reliance on the judgment of this Court in *A.S. Randhawa v. State of Punjab*, reported as *1997 (3) SCT 468*, learned counsel submits that it is settled law that delay in payment of retiral benefits is impermissible in law and that the retiree shall be entitled to interest in view of such delay.



### 3. CWP No. 6003 of 2026

9. Learned counsel for the petitioner (in **CWP No. 6003 of 2026**) has, *inter alia*, contended that the petitioner retired on 31.08.2023 as Manager from respondent No.4 - The Makhu Zamindara Co-operative Marketing-cum-Processing Society Limited, District Ferozepur. After retirement, he submitted all necessary documents for the release of his retiral benefits. His case was forwarded for pre-audit, which verified his entitlement to ₹7,81,425.50/- for Gratuity and ₹5,29,780.00/- for Leave Encashment, totaling ₹13,11,205.50/-. The petitioner is also entitled to ₹5,59,515.00/- towards salary and ₹7,46,794.00/- towards Provident Fund. As such, the petitioner deserves to be paid a total of ₹26,53,514.50/-.

10. He further contends that despite repeated visits and requests, the respondent-department kept the matter pending on one pretext or another and, to date, no amount towards the petitioner's retiral benefits has been paid. Aggrieved by this inaction, the petitioner issued a legal notice dated 27.11.2025 (Annexure P-1 in CWP No. 6003 of 2026). In response thereto (Annexure P-3), the President of respondent No. 4-Society acknowledged the petitioner's entitlement to the said amount but stated that the Society has been incurring continuous financial losses and is not in a position to discharge all its liabilities in a single instalment. It was further stated that, despite the precarious financial condition of the Society, a sum of ₹4,39,120/- has been released to the petitioner on various dates and that his case is being



accorded preference in view of his nearly 29 years of service with the Society. The reply also stated that the outstanding dues would be cleared at the earliest possible time, subject to the availability of funds. The relevant portion of the reply (Annexure P-3) is reproduced hereunder:

*“2. That it is pertinent to bring to your kind notice that **the Makhu Zamindara Cooperative Marketing-cum-Processing Society** is a cooperative society duly registered under the provisions of the **Punjab Cooperative Societies Act, 1961**. The day-to-day affairs of the Society are managed by the **Managing Committee**, which is an elected body chosen from among its members for a term of five years from the date of election. All expenses of the Society, including electricity bills, salaries of employees, telephone charges, etc., are borne by the Society from its **own funds** and **not from the State exchequer**. The Society does not receive any grant, aid, or financial assistance from the State Government; therefore, all its liabilities are met from its own resources. The sources of income of the Society are limited, and at present the Society is running under **continuous financial losses**. As per the balance sheet dated **31.03.2025**, the Society has suffered **an accumulated loss of ₹75,81,264/-**. It is admitted that the Manager of the Society retired on **31.08.2023**, and his retiral dues are payable. However, it is also pertinent to apprise you that the **salaries of the employees have not been paid for the last 40 months**, and an amount of **₹6016900.90/-** towards employees' salaries is outstanding as on **31.03.2025**. In view of the severe financial constraints, the Society is not in a position to clear all the liabilities of your client in a **single instalment**. Your client, having served the Society for a long period, is well aware of the income, liabilities, and financial condition of the Society. As per the balance sheet dated **31.03.2025**, the total loss of the Society stands at **₹69,58,055/-**. Despite the weak corpus condition of society Rs.4,39,120/- have already been paid to your client on various dates, still preference is being given to your client since he had served almost 29 years in the Society. Therefore, the outstanding dues of your client shall be cleared **at the earliest possible time**, subject to the*



*availability of funds. Your cooperation in the matter is earnestly solicited **in the interest of justice and the members of the Society.***”

#### **4. CWP No. 5392 of 2026**

11. Learned counsel for the petitioner–Society (in **CWP No.5392 of 2026**) has submitted that respondent No. 6 retired from the post of Secretary of the petitioner–Society on 31.08.2019. Thereafter, respondent No. 6 submitted representations dated 04.03.2020 and 14.07.2020 to the petitioner–Society as well as to the concerned official respondents seeking release of his retiral benefits. As the said benefits were not released, respondent No. 6 approached this Court by filing CWP No. 13633 of 2020. The said petition was disposed of vide order dated 04.09.2020 (Annexure P-2) with a direction to the respondents therein to consider and decide the representations of the petitioner.

12. It is submitted that the retiral benefits of respondent No. 6 were withheld in view of the allegations pertaining to financial irregularities made in the accounts of the petitioner-Society during his tenure of service. Further, two arbitral awards dated 23.06.2023 (Annexures P-3 and P-4) have been passed against him for recovery of amounts of ₹55,467/- and ₹11,250/-, respectively, on account of his failure to deposit certain dues.

13. Learned counsel for the petitioner further contended that notwithstanding the aforesaid pending recoveries, respondent No.5-the Assistant Registrar, Co-operative Societies, has been pressurizing the petitioner–Society to release the retiral benefits of respondent No.6. It is



further submitted that on 05.03.2025, the petitioner-Society passed a resolution (Annexure P-5) requesting the respondent No.5-Assistant Registrar to adjudicate upon the issue of the financial imbalance caused by respondent No.6. However, vide order dated 24.12.2025 (Annexure P-6), the Assistant Registrar dismissed the imbalance case on the ground that the petitioner-Society had failed to produce the requisite records. On the very same day, respondent No. 5 issued a show-cause notice (Annexure P-7) to the President, Vice-President, and all Committee Members of the petitioner-Society, threatening action under Section 27(2) of the Punjab Co-operative Societies Act, 1961 in the event the amount of ₹7,26,221/- along with interest is not paid to respondent No. 6.

14. Additionally, learned counsel for the petitioner-Society submits that the Punjab Co-operative Societies Act, 1961 (hereinafter referred to as “the 1961 Act”) is the principal legislation governing the registration, regulation, and functioning of Co-operative Societies in the State of Punjab. Section 85 of the 1961 Act empowers the State Government to frame rules for carrying out the mandate of the Act. In exercise of the said statutory power, the State Government framed the Punjab Co-operative Societies Rules, 1963 (hereinafter referred to as “the 1963 Rules”). It is submitted that the 1963 Rules constitute delegated legislation, framed under Section 85 of the 1961 Act.

15. Learned counsel for the petitioner has further argued that the Legislature, in its wisdom, has delegated the power to prescribe the



qualifications and conditions of service of the members and employees of Co-operative Societies to the State Government under Section 85(2) (xxxviii) of the 1961 Act. However, under Rule 28 of the 1963 Rules, the State Government has further delegated this power to the Registrar, Co-operative Societies and in exercise of such delegated authority, the Registrar has framed the 1997 Service Rules.

16. It is contended that sub-delegation is permissible only where it is expressly authorized or can be necessarily implied from the parent statute. In the present case, however, the 1961 Act does not confer any power upon the State Government to further delegate its rule-making power to the Registrar. Consequently, it is argued that the 1997 Service Rules are invalid and *ultra vires* the parent enactment. Learned counsel for the petitioner–Society further submits that, through the 1997 Service Rules, the Registrar has effectively been vested with the powers of a “super-employer”, mandating Co-operative Societies to make payments of leave encashment, gratuity and other retiral benefits to their retired employees at par with employees of the State Government, despite the precarious financial condition of such Societies. It is submitted that the implementation of these Rules reveals a manifest double standard in the State’s employment policy. While the State Government has been increasingly remunerating its own staff through meager consolidated salaries or contractual engagements, the Co-operative Societies are being saddled with the staggering financial burden of providing pay and retiral benefits at par with regular government service. Learned counsel



argues that not even a single Society possesses the financial fortitude to sustain such a mandate, particularly in the absence of any state-funded budgetary support.

17. It is argued that Co-operative Societies registered under the 1961 Act are autonomous bodies, and all expenses, including the payment of salaries to their employees, are borne from their own funds and not from the State exchequer. The Societies do not receive any grant, aid, or financial assistance from the State Government, and therefore all their liabilities must be met from their own resources. It was brought to the notice of this Court that as per the admission of the Finance Minister of the Government of Punjab in July 2025, nearly half of the State's 3,500 Primary Agricultural Co-operative Societies (PACS) are in financial distress. Thus, a majority of Co-operative Societies in Punjab are operating under continuous financial losses and, despite this, they are being burdened with the liability of paying various retiral benefits to their employees. Learned counsel further submits that several Co-operative Societies, including the petitioner-Society in CWP No. 5392 of 2026, have neither adopted the 1997 Service Rules nor employ ten or more persons so as to fall within the ambit of the Payment of Gratuity Act, 1972 (hereinafter referred to as "the Gratuity Act"). On this basis, learned counsel submits that such Societies cannot be compelled to pay retiral benefits under the 1997 Service Rules or gratuity under the Gratuity Act.



18. In rebuttal, learned counsel for the petitioner(s)-employees and the respondent-State submit that the *vires* of Rule 28 of the 1963 Rules as well as the 1997 Service Rules have already been examined in the judgment rendered by the Division Bench of this Court in ***Mohie Janta Coop. Agri. Service Society Ltd., Mohie vs. State of Punjab, 2011(3) SCT 157***. It is submitted that since the Division Bench has upheld the validity of these provisions, the 1997 Service Rules remain legally enforceable with respect to the employees of Co-operative Societies in Punjab.

#### **OBSERVATION & ANALYSIS**

19. Having heard the learned counsel for the parties and after perusing the record with their able assistance, it appears that the following seminal issue has arisen for consideration of this Court:-

*Whether the 1997 Service Rules, framed by the Registrar, Co-operative Societies under Rule 28 of the 1963 Rules, are valid and statutory in nature, thereby creating a vested and enforceable right in the employees to claim retiral benefits from their respective Societies?*

20. This Court, vide order dated 21.01.2026 in CWP No.1422 of 2026, had passed the following order:

“2. Learned counsel for the petitioner inter alia contends that, in the year 1997, the Registrar Cooperative Societies, framed Punjab State Cooperative Agricultural Service Society Service Rules, 1997 (1997 Rules) and provided that employees of agricultural cooperative societies were to be treated at par with government employees, conferring upon them the entitlement to gratuity and other retirement benefits. As such the respondent society is bound to pay the retiral dues of the petitioner.



3. *It appears that the duties of the petitioners merely involved distribution of seeds, pesticides, and fertilisers to farmers, performing services which are neither perennial nor comparable to those rendered by employees in government departments. Most of these societies operate on a modest scale and may lack the requisite financial resilience to discharge the accumulated burden of gratuity, leave encashment, and other retirement dues. This court is flooded with such petitions wherein such societies due to financial constraints, are not able to discharge its liability to pay retiral dues of its employees, imposed upon the registrar through 1997 rules. Moreover these societies do not receive any financial aid from the government of Punjab and their earnings are generated from sale of fertilizers and other farming commodities on a commission basis of 1-2%, received from IFFCO, MARKFED, etc. The scheme of the Punjab Cooperative Societies Act, 1961 reveals that these societies are autonomous bodies established with the aim to earn profit and distribute it amongst its members.*

4. *This Court is unable to comprehend whether, prior to framing the 1997 Rules and extending the entitlement of salary, gratuity, and other benefits to employees at par with Government employees, the financial capacity of each individual society was duly considered.*

5. *On the one hand, the Government of Punjab is not paying even minimum wages to its own employees, and essential services in the municipalities, health, and education departments are being carried out through contractual or ad hoc employees. The State's employment practices indicate a consistent and systemic pattern of extracting perennial work on an ad hoc or contractual basis for prolonged periods. On the other hand, the societies are saddled and burdened with obligation of paying its employees, salaries and retiral benefits at par with Government employees. Further, the Payment of Gratuity Act, 1972 provides a minimum threshold of ten employees for its applicability whereas the majority of these societies have less than ten employees.*



6. *In view of the above, the Principal Secretary, Department of Cooperation, Govt. of Punjab is directed to deliberate on this issue and file his affidavit stating:-*

*a. On what rational basis were the employees of the societies declared at par with government employees? Whether the government is ready to provide budgetary allocation to these*

*b. societies who are unable to discharge their liabilities to pay retiral benefits to these employees?*

*c. Whether the rules imposed by the Registrar, through the Punjab State Cooperative Agricultural Service Society Service Rules, 1997 were notified in the official gazette and whether the aforesaid rules were placed before the state legislature?*

*d. Provide the notification issued in the official gazette for the implementation of the Punjab Cooperative Societies Rules, 1963 and Punjab State Cooperative Agricultural Service Society Service Rules, 1997.*

*e. Complete details of the total capital of the respondent society along with its balance sheets reflecting its profit or loss for the last five financial years and the number of employees working in it.”*

21. In compliance with the order dated 21.01.2026 passed in CWP No.1422 of 2026, a detailed affidavit dated 18.02.2026 of Ajit Balaji Joshi, IAS, Administrative Secretary, Department of Cooperation, Punjab, was filed on behalf of respondent No.1. The contents of the said affidavit have been crystallized in the following manner:

a. The 1963 Rules have been framed by the State Government while exercising its powers under Section 85(3) of the 1961 Act and therefore, are a delegated legislation. In compliance with Section 85(3) of the 1961 Act, the 1963 Rules were duly notified in the Official



- Gazette (Annexure R-1) and laid before the Punjab State Legislature (Annexure R-2).
- b. The Registrar, Co-operative Societies, exercising its powers under Rule 28 of the 1963 Rules, has framed the 1997 Service Rules to determine the qualifications, recruitment process, conditions of service subject to which persons may be employed by Co-operative Societies. The power under Rule 28 of the 1963 Rules is an administrative-regulatory power delegated to the Registrar to ensure uniformity and discipline in service conditions across Co-operative Societies.
  - c. The 1997 Service Rules ***were neither framed by the State Government*** in exercise of powers under Section 85 of the 1961 Act, ***nor were they issued as statutory Rules under the said Act***. Rather, the 1997 Service Rules are regulatory service-condition instruments framed by the Registrar, Co-operative Societies in exercise of the authority conferred upon it under Rule 28 of the 1963 Service Rules. It was further stated that the 1997 Service Rules do not bear the character of delegated legislation under Section 85 of the 1961 Act and therefore, were not required to be laid before the State Legislature. The requirement of laying of Rules before the State Legislature under Section 85(3) of the 1961 Act is statutorily confined only to Rules framed by the State Government under Section 85 of the 1961 Act.
  - d. The adoption of Government pay scales and service benefits as a benchmark under the 1997 Service Rules was merely a mechanism for standardization and uniformity across various Co-operative Societies. Such adoption was made only for the limited purpose of maintaining parity in scales and benefits as a matter of policy guidance and did not, in any manner:



- i. Create an employer-employee relationship between the State Government and the employees of the Co-operative Societies;
  - ii. Convert the employees of Co-operative Societies into Government servants;
  - iii. Transfer or fasten any financial liability upon the State exchequer for their salary or retiral benefits.
- e. The Co-operative Societies registered under the 1961 Act are independent legal entities with a distinct juristic personality. The Society recruits its own employees who are remunerated from its funds and are subject to the administrative and disciplinary control of the Society itself. Thus, the State Government neither acts as the appointing authority nor as the salary-disbursing authority in respect of such employees.
- f. Neither the 1961 Act nor the 1963 Rules contain any provision imposing financial liability upon the State Government to discharge salary or retiral dues of employees of such Societies. Therefore, in the absence of any statutory mandate, ***the State Government is not in a position to provide budgetary allocation for payment of retiral benefits of employees of individual Co-operative Societies.*** Any direction by this Court requiring the State Government to assume the liabilities of such Societies would amount to a judicially created financial obligation, not contemplated by the statutory scheme of the 1961 Act.
- g. With regards to the financial status of the respondent no.5-Society in CWP No.1422 of 2026, the audited balance sheets and financial statements for the last five financial years were annexed as Annexure R-3. As per the aforesaid records, the respondent no.5-Society operates primarily on commission income (approximately 1-2%) from sale of



fertilizers and agricultural inputs and ***does not receive any direct financial grants*** from the State Government. Furthermore, respondent no.5-Society has ***incurred financial losses*** in the recent years and presently, ***has only one employee*** on its rolls.

- **Nature and Validity of the 1997 Service Rules**

22. Admittedly, the 1961 Act is the principal legislation governing the registration, regulation, and functioning of Co-operative Societies in the State of Punjab. Section 85 of the 1961 Act ***delegates*** the power to frame rules for carrying out the objectives of the Act to the State Government. In exercise of the said delegated statutory power, the State Government framed the 1963 Rules, which were duly notified in the Official Gazette (Annexure R-1 in CWP No.1422 of 2026) and laid before the Punjab State Legislature (Annexure R-2) in compliance with Section 85(3). Relevant portion of Section 85 is reproduced hereunder:

**“85. Rules**

*(1) The Government may, for any co-operative society or class of such societies, make rules to carry out the purposes of this Act.*

*(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely -*

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**(xxxviii) qualifications for members of the committee and employees of a society or class of societies and the conditions of service subject to which persons may be employed by societies;**

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*(3) Every rule made under this section shall be laid as soon as may be after it is made before the State Legislature*



*while it is in session for a total period of ten days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is laid or the session immediately following [the Legislature] agree in making any modification in the rule or [the Legislature] agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”*

*(Emphasis added)*

23. As previously noted, the 1961 Act specifically delegates the power to frame Service Rules to the State Government. Crucially, the said Act contains no provision authorizing the State Government to further delegate this power. Notwithstanding this absence of authority, the State Government, under Rule 28 of the 1963 Rules, has delegated its power under Section 85(2)(xxxviii) to the Registrar, Co-operative Societies. Consequently, acting as a sub-delegatee, the Registrar has framed the 1997 Service Rules to govern the qualifications, recruitment processes, and service conditions for employees of Co-operative Societies in the State of Punjab. Rule 28 of the 1963 Rules is reproduced below for ready reference:

***“28. Qualifications and conditions of service of employees [Section 85 (xxxviii)] -***

***(1) The qualifications and conditions of service subject to which any person may be employed by a cooperative society or a class of co-operative societies shall be such as may be determined by the Registrar from time to time.***

*(2) Where the registrar is of the opinion that it is necessary or expedient so to do, he may by order, for reasons to be recorded in writing relax the provisions of this rule with*



*respect to any co- operative society or class of co-operative societies to such extent as he may consider proper.”*

*(Emphasis added)*

24. The Administrative Secretary, Department of Co-operation, Punjab, in his affidavit (supra), has categorically admitted that the 1997 Service Rules were ***neither framed by the State Government*** in the exercise of its powers under Section 85 of the 1961 Act, ***nor were they issued as statutory rules thereunder***. It was further deposed that the 1997 Service Rules do not possess the character of delegated legislation in terms of Section 85 of the 1961 Act, and consequently, there was no requirement for them to be laid before the State Legislature. It is settled law that where a statute confers a power on a named authority, it is *prima facie* intended to be exercised only by that authority to the exclusion of all others, unless the parent statute permits further delegation expressly or by necessary implication. Reliance in this regard can be placed on the judgment rendered by a three-Judge Bench of the Hon'ble Supreme Court in *M/s Sahni Silk Mills (P) Ltd. vs. Employees State Insurance Corp., 1994(4) SCT 277*, wherein, speaking through Justice N.P. Singh, the following was observed:

**“5. The courts are normally rigorous in requiring the power to be exercised by the persons or the bodies authorised by the statutes. It is essential that the delegated power should be exercised by the authority upon whom it is conferred and by no one else. At the same time, in the present administrative set-up extreme judicial aversion to delegation cannot be carried to an extreme. A public authority is at liberty to employ agents to exercise its powers. That is why in many statutes, delegation is**



authorised either expressly or impliedly. Due to the enormous rise in the nature of the activities to be handled by statutory authorities, the maxim *delegatus non potest delegare* is not being applied specially when there is question of exercise of administrative discretionary power.

6. By now it is almost settled that the legislature can permit any statutory authority to delegate its power to an other authority, of course, after the policy has been indicated in the statute itself within the framework of which such delegates is to exercise the power. The real problem or the controversy arises when there is sub-delegation. It is said that when Parliament has specifically appointed authority to discharge a function, it cannot be readily presumed that it had intended that its delegate should be free to empower another person or body to act in its place. In Barium Chemicals Ltd. v. Company Law Board, AIR 1967 Supreme Court 295, this Court said in respect of sub-delegation.

"Bearing in mind that the maxim *delegatus non potest delegare* sets out what is merely a rule of construction, sub-delegation can be sustained if permitted by express provision or by necessary implication."

7. Again in *Mangulal Chunilal v. Manilal Maganlal*, AIR 1968 Supreme Court 822, while considering the scope of section 481 (1)(a) of the Bombay Provincial Municipal Corporation Act (59 of 1949) this Court said that Commissioner of the Ahmedabad Municipal Corporation had delegated his power and function under the aforesaid Section to a Municipal Officer to launch proceedings against a person charged with offences under the Act or the rules and that officer to whom such functions were delegated could not further delegate the same to another.

8. In *Halsbury's Laws of England*, 4th edition, volume-I in respect of sub- delegation of powers it has been said :

*"In accordance with the maxim *delegatus non potest delegare*, a statutory power must be exercised only by the body or officer in whom it has been confided. (H. Lavender & Sons Ltd. v. Minister of Housing and Local Government, 1970(3) All England*



*Reporter 871, unless sub-delegation of the power is authorised by express words necessary implication (Customs and Excise Comrs. v. Cure and Deelay Ltd., 1962 (1) OQ 340, 1961(3) All England Reporter 641 and Mungoni v. A.S.G. of Northern Rhodesia, 1960(1) All England Reporter 446 PC etc.). There is a strong presumption against construing a grant of legislative, judicial or disciplinary power as impliedly authorising sub-delegation; and the same may be said of any power to the exercise of which the designated body should address its own mind. Allam & Co. v. Europa Poster Service Ltd., 1968(1) All England Reporter 626...."*

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*10. So far as the present Section 94A is concerned, it says that the Corporation subject to any regulation made by the Corporation in that behalf, may direct that particular or any of the powers and functions which may be exercised or performed by the Corporation may, in relation to such matters and subject to such conditions, if any, as may be specified 'be also exercisable by any officer or authority subordinate to the Corporation.' **Section 94A does not specifically provide that any officer or authority subordinate to the Corporation to whom the power has been delegated by the Corporation, may in his turn authorise any other officer to exercise or perform that power or function. But by the resolution dated 28.2.1976 the Corporation has not only delegated, its power under Section 85B (i) of the Act to the Director General, but has also empowered the Director General to authorise any other officer to exercise the said power. Unless it is held that Section 94A of the Act, enables the Corporation to delegate its powers and functions to any officer or authority subordinate to the Corporation and he in his turn can sub-delegate the exercise of the said power to any other officer, the last part of the resolution dated 28.2.1976 cannot be held to be within the framework of Section 94A. According to us, the Parliament while introducing Section 94A in the Act, only conceived direct delegation by the Corporation to different officers or authorities, subordinate to the Corporation, and there is***



**no scope for such delegate to sub-delegate that power, by authorising any other officer to exercise or perform the power so delegated.”**

*(Emphasis added)*

25. Significantly, the vires of Rule 28 of the 1963 Rules and the 1997 Service Rules were previously challenged before a Division Bench of this Court in *Mohie Janta Coop. Agri. Service Society Ltd., (supra)* on two primary grounds: *firstly*, it was argued that the 1961 Act lacks any specific provision authorizing the State Government to delegate its rule-making power under Section 85 to the Registrar and therefore, the 1997 Service Rules suffer from excessive delegation; *secondly*, it was contended that even assuming a valid delegation of power, the 1997 Service Rules are *ultra vires* as the Registrar failed to comply with the mandatory procedure under Section 85(3), which requires the Rules to be laid before the State Legislature.

26. Although the Division Bench in *Mohie Janta Coop. Agri. Service Society Ltd. (supra)* ultimately upheld the validity of the aforementioned provisions and thus, the 1997 Service Rules, however, it did not record any findings regarding the issue of excessive delegation in framing of the 1997 Service Rules. The relevant extracts of the judgment are reproduced below:

**“3. The learned counsel for the petitioner has challenged the vires of the Rule 28 of 1963 Rules on the ground that as per sub-section (1) and (2) of Section 85 of the Punjab Cooperative Societies Act, 1961, the State Government could frame the rules with regard to the qualifications and conditions of service and there is no specific power to delegate its power to Registrar for the said purpose and**



**assuming for the sake of arguments if the Government validly delegated the powers to the Registrar to frame the Rules for laying down the qualifications and conditions of the service of the employee of the Cooperative Society then the rules are ultra vires for the reason that proper procedure as provided under Section 85(3) of the Act has not been followed by the Registrar, Cooperative Societies, Punjab, Chandigarh for laying down these rules before the State Legislature within 10 days of their formulation but the needful was not done...**

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5. With regard to the validity of the Rule 28 in context to the provisions of Section 85 (XXXVIII) of the Act being without jurisdiction, it was submitted that vide notification No. GSR 79/P.A. 25/61/S 85/Ad. (5)/69 dated 14.10.1969, the Governor of Punjab exercising its powers conferred under Section 85 of the Punjab Cooperative Societies Act 1961 and rule 28 of Rules 1963, under which power to frame the service rules of the employees of the society has been conferred upon the Registrar, framed the rules. It was also added that. The Division Bench of this Court in case **Bakshish Singh and others v. The Registrar, Co-operative Societies Punjab, Chandigarh and others, 1985 R.R.R. 277 : AIR 1984 Punjab and Haryana 264**, had upheld the validity of Section 28 of the Rules and it was also observed that non laying of rule before the legislature would not invalidate such delegated legislation...

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7. As regards delegation of powers, Section 85 (1) and (xxxviii) of the Act reads as under :-

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While exercising the powers under the aforesaid clause, Rule 28 of 1963 Rules, Government conferred power upon the Registrar to frame rules with regard to qualifications and conditions of service of its employees. Rule 28 of the 1963 Rules reads as under :-

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8. *The other question raised before us is that the laying of the Rules before the Legislature for their proper enforcement was mandatory, but this argument cannot hold water, for the reason that no such material has been brought on record that these rules were not laid before the Legislature. In any case, no such Rule has been made pointing towards the consequences of non-laying of the Rules before the Legislature. Similar question arose before the Full Bench of this High Court in case of **M/s. Megha Singh and Co. and others v. The State of Punjab and others**, AIR 1977 Punjab & Haryana 297, wherein, it was observed as under :-*

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**9. In the instant case also, petitioner has not placed on record any data to show that these rules were not placed before the legislature. As such, while applying the obiter dicta from the aforesaid judgment, it could safely be determined that no fault could be found with the rules when the same were circulated and adopted by the societies through out the State of Punjab.**”

*(Emphasis added)*

27. Nonetheless, the question of excessive delegation under the 1963 Rules came up again before another Division Bench of this Court in **Harpreet Singh and another vs. State of Punjab and others, 2011 SCC OnLine P&H 11491**. In this case, the petitioners-employees of a Co-operative Marketing Society had challenged the validity of Rule 4(iv)(a) of the Punjab Co-operative Marketing-cum-Processing Service Societies Employees Service Rules, 1996 (hereinafter referred to as “the 1996 Rules”), which imposed a restriction that total expenditure on staff could not exceed 50% of the Society’s annual income. The 1996 Rules were framed by the Registrar, Co-operative Societies while exercising powers under Rule 28 of the 1963 Rules. Thus, the Division Bench was



called upon to answer the seminal legal question - whether the State Government, having been delegated the power to frame rules under Section 85 of the 1961 Act, could further sub-delegate that authority to the Registrar through Rule 28 of the 1963 Rules.

28. Upon examining the statutory framework, the Division Bench in *Harpreet Singh (supra)* observed that Section 85(2)(xxxviii) of the 1961 Act specifically delegates the power to prescribe qualifications and service conditions to the State Government. The Court noted that the parent Act does not contemplate any delegation of power beyond the State Government. Since sub-delegation of legislative power is invalid unless expressly or by necessary implication authorized by the parent statute, the State Government could not have sub-delegated its rule-making power to the Registrar. Consequently, it was concluded that the 1996 Rules were unsustainable in the eyes of law as they suffered from the vice of excessive delegation. The relevant extracts of the judgment are reproduced hereunder:

**“(8) It is, thus, evident that the Act has delegated the power of framing the rules to the State Government with regard to determining the conditions under which profit may be distributed to a member of a cooperative society with un-limited liability and the maximum rate of dividend which may be paid by the co-operative society. Likewise, under clause (xxxviii), the rules prescribing the qualifications for employees of a society or a class of societies and conditions of service, subject to which such persons may be employed by such societies, can be framed by the Government. The Act does not contemplate delegation of power beyond the State Government. It was in pursuance of the aforesaid power given under Section 85(2) of the Act that the State Government has framed the**



**1963 Rules. A perusal of Rule 28 of the 1963 Rules shows that it has been framed in pursuance to the power conferred under Section 85(2)(xxxviii) of the Act. Rule 28 of the 1963 Rules reads as under:—**

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**(9) It is in pursuance of sub-delegation given to the Registrar by Rule 28 of the 1963 Rules that the impugned 1996 Rules/Instructions in respect of the employees working in the respondent Societies have been framed. Firstly, most of the employees are working prior to 1996 and have been paid regular scales of pay. Secondly, the provisions of Section 85(2)(xxxviii) of the Act has delegated the power of framing the rules concerning conditions of service to the State Government, which has been further sub-delegated by Rule 28 of the 1963 Rules to the Registrar. The provisions of sub-section (2) of Section 85 of the Act would show that the rules framed by the State Government are to be placed before the Assembly. The instructions issued by the Registrar have not been placed before the Assembly at all.**

**(10) Now the question that arises for consideration is whether a delegatee of power could further delegate. The aforesaid question came up for consideration before Hon'ble the Supreme Court in the case of Life Insurance Corporation of India v. Retired L.I.C. Officers Association. It has been held that a delegatee cannot act outside the scope of his power. There the power to regulate the pay and allowances was delegated. But the Chairman started regulating the gratuity of employees. Hon'ble the Supreme Court held that a sub-delegate cannot exercise any power which is not meant to be conferred upon him by reason of statutory provisions. Similar view has been expressed in the case of The Quarry Owners Association v. State of Bihar, and Mahe Beach Trading Company v. Union Territory of Pondicherry.**

**(11) The Rule making authority cannot delegate its power unless the power of delegation emerges from the provisions of the Act itself. Such authorisation may be either express or by necessary intendment. If the authority further delegates its lawmaking power to some**



**other authority and retains a general control of a substantial nature over it, there is no delegation as to attract the doctrine of ‘delegatus non potest delegare’, which indicates that sub-delegation of power is normally not allowable though the legislature can always provide for it. It is well settled that sub-delegation is invalid unless authorised by the parent Act.** In that regard a classical illustration is available in the cases of **A.K. Roy v. State of Punjab**. In this case under the Prevention of Food Adulteration Act, 1954, the power to initiate prosecution for offences under Section 20(i) had been conferred on the State Government. The said Act did not authorise sub-delegation of power to Food Inspector. However, under Rule 3 of the Prevention of Food Adulteration (Punjab) Rules, 1958, the power to initiate prosecution was delegated to the Food Inspector. Accordingly, Hon'ble the Supreme Court held that sub-delegation was ultra vires the parent Act.

**(12) In the present case, Section 85(2)(xxxviii) of the Act delegate the State Government the power of framing rules which may provide for the qualifications for employees of society or class of societies and the conditions of service to which persons may be employed by the society. However, by Rule 28 of the 1963 Rules, the power to determine qualifications and conditions of service of such employees have been left to the Registrar, who may determine the same from time to time. Once the State Legislature has delegated the power to the State Government then it was impermissible for the State to sub-delegate its power to the Registrar. Even on that score the so called 1996 Rules would not be sustainable in the eyes of law.**

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**(18) For the reasons stated above, these petitions are allowed. The impugned 1996 Rules are held to be inapplicable as they suffer from excessive delegation...**

(Emphasis added)



29. In view of the foregoing discussion and advertent to the facts of the present case, this Court is of the considered opinion that the State Government could not have delegated its rule-making power under Section 85(2)(xxxviii) of the 1961 Act to the Registrar, Co-operative Societies. Such sub-delegation is neither expressly authorized nor permitted by necessary implication under the parent statute. Thus, this Court holds that the 1997 Service Rules are *ultra vires* the 1961 Act. Accordingly, the claim of the petitioners for leave encashment, gratuity, and other retiral benefits under the said Rules is rendered non-maintainable.

30. It is trite law that Rules or Regulations constituting subordinate legislation are bound to be ignored by the Courts if they are found to be *ultra vires*. When the enforcement of such provisions is at issue, the Court is not precluded from declining to enforce them simply because a specific prayer to strike them down or declare them invalid was not made. Reliance in this regard can be placed on the judgment rendered by a two-Judge Bench of the Hon'ble Supreme Court in ***Shree Bhagwati Steel Rolling Mills (M/s.) v. Commissioner of Central Excise, 2016(3) SCC 643*** wherein, speaking through Justice R.F. Nariman, the following was observed:

“28. *Shri Aggarwal in order to buttress his submission that he ought to be allowed to raise a pure question of law going to the very jurisdiction to levy interest cited before us the judgment in **Shri Bhartidasan University and Anr. v. All-India Council for Technical Education, 2001(4) S.C.T 704 : 2001 (8) SCC 676**, and in particular paragraph 14 thereof which reads as follow:*



**The fact that the Regulations may have the force of law or when made have to be laid down before the legislature concerned do not confer any more sanctity or immunity as though they are statutory provisions themselves. Consequently, when the power to make Regulations are confined to certain limits and made to flow in a well defined canal within stipulated banks, those actually made or shown and found to be not made within its confines but outside them, the Courts are bound to ignore them when the question of their enforcement arise and the mere fact that there was no specific relief sought for to strike down or declare them ultra vires, particularly when the party in sufferance is a Respondent to the lis or proceedings cannot confer any further sanctity or authority and validity which it is shown and found to obviously and patently lack.** It would, therefore, be a myth to state that Regulations made Under Section 23 of the Act have "Constitutional" and legal status, even unmindful of the fact that anyone or more of them are found to be not consistent with specific provisions of the Act itself. Thus, the Regulations in question, which the AICTE could not have made so as to bind universities/UGC within the confines of the powers conferred upon it, cannot be enforced against or bind an University in the matter of any necessity to seek prior approval to commence a new department or course and programme in technical education in any university or any of its departments and constituent institutions.

**29. It would be seen that Shri Aggarwal is on firm ground because this Court has specifically stated that rules or Regulations which are in the nature of subordinate legislation which are ultra vires are bound to be ignored by the courts when the question of their enforcement arises and the mere fact that there is no specific relief sought for to strike down or declare them ultra vires would not stand in the court's way of not enforcing them.** We also feel that since this is a question of the very jurisdiction to levy interest and is otherwise covered by a



*Constitution Bench decision of this Court, it would be a travesty of justice if we would not to allow Shri Aggarwal to make this submission.”*

*(Emphasis added)*

31. As a matter of fact, the Administrative Secretary, Department of Co-operation, Punjab, in his affidavit (supra), has categorically stated that Co-operative Societies registered under the 1961 Act are autonomous bodies, comprising of individuals who have voluntarily entered into an association for mutual economic benefit. These entities are managed by elected committees and are governed by their respective bye-laws, within the broader statutory framework. Thus, this Court holds that such Co-operative Societies are at liberty to frame their own Service Rules and determine the pay scales and emoluments of their employees, keeping in view their financial health and operational viability.

32. Furthermore, regarding the applicability of the Gratuity Act, Section 1 thereof stipulates that the Act applies to every shop or establishment wherein ten or more persons are employed, or were employed, on any day of the preceding twelve months. Section 1 of the Gratuity Act is reproduced below for ready reference:

***“1. Short title, extent, application and commencement.—***

*(1) This Act may be called the Payment of Gratuity Act, 1972.*

*(2) It extends to the whole of India:*

*Provided that in so far as it relates to plantations or ports, it shall not extend to the State of Jammu and Kashmir.*



(3) *It shall apply to—*

(a) *every factory, mine, oilfield, plantation, port and railway company;*

(b) **every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months;**

(c) **such other establishments or class of establishments, in which ten or more employees are employed, or were employed, on any day of the preceding twelve months, as the Central Government may, by notification, specify in this behalf.**

(3A) **A shop or establishment to which this Act has become applicable shall continue to be governed by this Act notwithstanding that the number of persons employed therein at any time after it has become so applicable falls below ten.**

(4) *It shall come into force on such date as the Central Government may, by notification, appoint.”*

*(Emphasis added)*

33. Learned counsel for the petitioner(s)-employees and the respondent-State were unable to controvert the fact that a majority of Co-operative Societies in the State of Punjab employ less than ten persons. Furthermore, learned counsel failed to demonstrate the existence of any of the aforementioned circumstances that would bring the specific Co-operative Societies involved in the present writ petitions, within the ambit of the Gratuity Act. Moreover, the Administrative Secretary, in his affidavit (supra), has specifically brought to the notice of this Court that the respondent-Society in CWP



**No.1422 of 2026** currently has only a single employee on its rolls. Consequently, this Court is of the considered view that the provisions of the Gratuity Act are also inapplicable to the present cases.

- **Precarious Financial Condition of Co-operative Societies in Punjab**

34. Admittedly, Co-operative Societies registered under the 1961 Act are independent legal entities, possessing a distinct juristic personality. The employees of a Co-operative Society are directly appointed by the concerned Society itself. The Society pays their remunerations from its own funds and exercises administrative and disciplinary control over them. All operational expenses, including salaries, are borne by the societies from their internal resources rather than the State exchequer. It is worth noting that, admittedly, these Societies do not receive any direct grant, aid, or financial assistance from the State Government.

35. The diminishing financial health of these Co-operative Societies is no longer a matter of conjecture but a documented fiscal reality. The Administrative Secretary in his affidavit (supra) has highlighted that the respondent-Society in **CWP No.1422 of 2026** operates primarily on a meager commission income of approximately 1-2%, derived from the sale of fertilizers and agricultural inputs. This Society has incurred significant financial losses in recent years and, as mentioned above, is currently operating with only a single employee. Similarly, a perusal of the record in **CWP No.6003 of 2026** reveals a systemic crisis as the respondent-Society therein has suffered an



accumulated loss of ₹75,81,264/- as of 31.03.2025 (Annexure P-3). The financial distress is so acute that employees' salaries have remained unpaid for 40 months, with outstanding liabilities towards staff pay amounting to over ₹60 lakhs as on 31.03.2025.

36. Pertinently, the financial distress of these Societies is compounded by the lack of any financial aid from the State Government and an operating model that merely relies on a negligible 1–2% commission. To saddle such fragile, autonomous entities with the staggering financial liability of retiral benefits at par with the State Government, without any corresponding budgetary support, is a recipe for institutional insolvency. Furthermore, as observed by this Court in its order dated 21.01.2026, the duties of the petitioner-employees in these Societies merely involve distribution of seeds, pesticides, and fertilisers to farmers. Thus, they are performing services which are neither perennial nor comparable to those rendered by regular employees in government departments.

37. Moreover, through the implementation of the 1997 Service Rules, the Registrar has effectively assumed the role of a “super-employer,” mandating that Co-operative Societies, which are independent legal entities with a distinct juristic personality, provide retiral benefits to their employees at par with the employees of the Government of Punjab. This mandate has been imposed despite the fact that the State Government neither acts as the appointing authority nor as the salary-disbursing agency for employees of these Co-operative



Societies. Crucially, while the Registrar seeks to enforce these heavy financial obligations, the State Government has categorically deposed that it bears no financial liability towards employees of Co-operative Societies and that it is not in a position to provide any budgetary allocation or financial assistance to individual Societies to discharge retiral liabilities of its employees. This creates a situation where Societies are saddled with massive retiral liabilities while the State exchequer remains entirely insulated from any corresponding financial obligation.

38. Therefore, this Court finds that the attempt to mandate payment of retiral benefits to employees of Co-operative Societies in the State of Punjab at par with State Government employees, particularly through the *ultra vires* 1997 Service Rules, is both legally unsustainable and practically unworkable.

### **CONCLUSION**

39. In view of the above discussions, this Court is of the considered opinion that the 1997 Service Rules, framed by the Registrar, Co-operative Societies under Rule 28 of the 1963 Rules, are *ultra vires* the 1961 Act. Thus, the petitioner(s)-employees do not possess any vested or enforceable right to claim retiral benefits from their respective employer-Societies on the strength of the 1997 Service Rules. Further, once the 1997 Service Rules are held to be unenforceable and are categorically admitted to be non-statutory in nature, a writ petition seeking their enforcement would not be



considered maintainable. Accordingly, **CWP No.1422 of 2026**, **CWP No.6003 of 2026** and **CWP No.1443 of 2026** are hereby **disposed of** as being non-maintainable.

40. Furthermore, **CWP No.5392 of 2026** is **allowed**. The Show Cause Notice dated 24.12.2025 (Annexure P-7), issued by the office of respondent No. 5-Assistant Registrar therein, is hereby quashed and set aside. Respondents No.1 to 5 are directed not to compel the petitioner-Society to release the retiral benefits of respondent No.6 in terms of the 1997 Service Rules.

41. Moreover, it is clarified that no recovery shall be effected from any retired employee on the basis of this judgment in respect of retiral benefits already disbursed.

42. Pending miscellaneous applications, if any, shall also stand disposed of.

43. A photocopy of this order be placed on the file of other connected cases.

**(HARPREET SINGH BRAR)**  
**JUDGE**

**05.03.2026**

*yakub*

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No