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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 4th May, 2026

Uploaded on: 8th May, 2026.

+ **W.P.(C) 11210/2019 & CM APPL. 61446/2025**

PREM SINGH

.....Petitioner

Through: Mr. Siddharth, Advocate

versus

REGISTRAR OF COOPERATIVE SOCIETIES

AND ANR.

.....Respondents

Through: Mr. Lalit Sharma, Adv. for R-2.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

Prathiba M. Singh J.,(Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner under Article 226 of the Constitution of India, *inter alia*, challenging the impugned order of the Delhi Co-Operative Tribunal dated 26th April, 2019 *vide* which the Award dated 22nd November, 2016 passed by the Id. Arbitrator was set aside.
3. The Petitioner was appointed as Sweeper-cum-Water Boy cum Farash *vide* letter of the Bank *i.e.*, The Parishad Co-operative Bank Ltd. (hereinafter '*Bank*') dated 1st March, 1988. The said letter is extracted below:

“Dear Sir,

We are pleased to inform you that the Board of Directors in it's meeting held on 28.2.88 regularised your services w.e.f. 17.1.88 at a consolidated salary of Rs. 750/= (Rupees seven hundred fifty) only per month. You will remain on probation for six months w.e.f. 17.1.88 and the Bank will review your case thereafter. Please sign the duplicate of this letter in token of having accepted the offer.”



4. There was some mismanagement which had occurred in the Bank due to which the management of the Bank was superseded and an Administrator was appointed. Some time in 2001, only 12 employees of the Bank were considered for absorption in different Banks. During 2003, liquidation of the Bank was directed and a Liquidator was also appointed. However, the Petitioner's services were terminated on 1st April, 2010.

5. The Petitioner then filed a claim under Section 70 of the Delhi Cooperative Societies Act, 2003 and *vide* award dated 22nd November, 2016, the Id. Arbitrator – Mr. Jaswant Singh directed as under:

“1. The order of termination of the claimant is quashed and the defendant is directed to retain the services of the claimant till alternative arrangements / adjustment is done as per the decision taken in the meetings chaired by the then Minister of the Gort. of NCT of Delhi.

2. The defendant is directed to pay the salary and all benefits of the intervening period from the termination of the claimant till date and also the arrears of his unpaid dues with interest @ 12% P.A.

3. The defendant is directed not to finalize the liquidation proceedings or dispose off the assets of the Bank till final settlement of this Case.

4. The defendant Bank is directed to pay a sum of Rs. 3 lacs, as compensation for mental torture, harassment and humiliation suffered by the claimant.

5. The defendant is also directed to pay the cost of Rs. 50,000/- to the claimant.

6. In the event of non-payment of the above within one month, the same shall attract interest @ 12% p.a. simple from 21-12-2016 till actual payment.

Given under my hand & seal on this 22nd day of Nov. 2016.”



6. The appeal filed by the Bank *i.e.*, ***Appeal No. 185/2016/DCT*** before the Delhi Cooperative Tribunal (hereinafter, 'DCT') was also dismissed on 26th April, 2019 in the following terms:

“12. As per the TCK, Liquidator of appellant Bank had appeared before ld. Asstt. Registrar (Arb.) on 2.6.16 and sought 15 days time to file reply, which was allowed and case was kept for order for 17.6.16. Id. Asstt. Registrar (Arb.) had passed order on 5.7.16 and same was issued on 14.7.16, which referred the dispute for adjudication u/s 71 and inter-alia directed the claimant to deposit arbitration fees of Rs.2000/- which was deposited by claimant on 22.7.16. Ever since 2.6.16 there is nothing on record about any effort made by the appellant bank to find out about the order issued by ld. Asstt. Registrar (Arb.) in the case. They claim knowledge of this order only on receipt of notice from ld. Arbitrator in proceedings u/s 71 of the Act for appearance on 26.9.16. Iven thereafter they have applied for certified copy of the order of ld.Asstt. Registrar (Arb.) on 21.10.16 as per their own admission and received copy of order on 22.10.16. As against order dt. 14.07.2016, appeal was filed on 25.10.2016, while limitation of sixty days for filing appeal expired on 13.09.2016. As such there has been a delay of 42 days in filing the appeal which is solely attributable to the appellant and they appear lackadaisical about timely obtaining copy of order of Ld. Asstt. Registrar (Arb.)

13. In authority reported as Baswaraj & ors Vs State Land Acquisition officer (2013) 14 Supreme Court cases 81, Hon/ble Supreme Court has held that a sufficient cause means a cause for which a party could not be blamed for his absence but in the present case the applicant has failed to disclose any Such sufficient cause. Honourable Supreme Court has also held that if a party is negligent or there was lack of bonafide or inaction then there cannot be any justified ground for condonation of delay.

14. In the facts & circumstances of the case, the appellant has failed to show sufficient cause for condonation of delay in filing appeal. The above authority is fully



applicable on facts of the case.

15. Appeal being barred by limitation is liable to be dismissed and is accordingly dismissed”

7. A second appeal was also filed by the Bank being *Appeal No.211/2016/DCT* before the DCT which was, however, allowed on the following grounds:

“13. The bank being constituted as cooperative society, it was required to frame service rules for its employees to deal with the terms & conditions of service, providing for qualifications required for appointment to various posts, promotions as well as pay scales of various posts alongwith allowances. While the claimant in its submission has stated that service rules are not framed. However, as per annexure C-6, in claim petition vide a letter dt. 26.04.2002 from liquidator to RCS, it is mentioned that service rules were framed in March, 1987 but were not implemented. In absence of service rules, no regular appointment to a post can be made and all such appointments have to be treated as temporary. This is also confirmed from the fact that no order of appointment of the claimant is filed, which would indicate pay scale in which his appointment was made. Rather from the letter dt. 1.3.88 (Annexure C-1) it is indicated that his services have been regularised w.ef. 16.1.88 at consolidated salary. On the other hand in case of permanent appointment, an employee is placed in the pay scale of post, which would indicate minimum and maximum of scale alongwith yearly increment. In absence of same in the cited order, the appointment appears in nature of temporary appointment.

14. Appointment of claimant was not under any service Rule which admittedly were not implemented in the bank and as such in absence of same, appointment could not be substantive or permanent in nature thereby, ruling out requirement of any enquiry. I-is appointment being temporary on a consolidated salary, the memorandum dt. 31.10.2010 appears in accordance with the norms applicable for temporary employees.



15. The authorities titled as Civil Appeal No. 2958 of 2011 - Arising out of SLP (C) No. 1100 of 2009 - C.M.D., Coal India Ltd., & Ors Vs. Ananta Saha & Ors. And AIR 2010 (1) SCC 126 - Satwati Deswal Vs. State of Haryana relied on behalf of the respondent do not apply in the case.

16. The authorities titled as 2006(6) Supreme 281 - Mineral Exploration Corpn. Employees Union Vs. Mineral Exploration Corpn. Ltd. & Anr. And 1987 LabIC 1070, (1987) ILLJ 61 Del - DTC Vs. Union of India And Anr. 14.05.1986 relied on behalf of respondent are not applicable in this case.

17. Award by the Ld. Arbitrator is not based on the evidence available in the case and proceeds on presumption of regular appointment without support of service rules. The aspect of compensation is decided without reference to any provision for the same in the DCS Act and Rules, providing for such compensation. Besides, legal cost has been allowed without any evidence regarding the expenses incurred by the claimant.

18. Award having been passed without reference to provisions of the DCS Act and Rules as well as the service regulation is liable to be set aside.

19. Appeal is accordingly allowed and the impugned award dt. 22.11.2016 is set aside.”

8. The Court has considered the matter. Ld. Counsel for the Petitioner submits that the appeal has been incorrectly allowed by the DCT when admittedly the letter had confirmed that the services of the Petitioner were regularized.

9. The case of the Respondent Bank is that the liquidating position of the Bank has recently improved and it is likely to come out of the *Red* very soon. The Court has considered the appointment letter and it is clear that the Petitioner had rendered long years of service of 22 years with the Bank. Any sudden termination without any compensation would therefore be unjust and



unfair. Both the Ld. Arbitrator and even the DCT, had initially, held in favour of the Petitioner. However, thereafter the DCT had reversed its position in the impugned order. The Bank's stand is that one month's salary was given to the Petitioner in lieu of the notice period. Admittedly, no Rules of service which prescribes the specific conditions of service were implemented by the Bank.

10. The Supreme Court in the decision in ***Maharashtra State Road Transport Corporation v. Mahadeo Krishna Naik, 2025 INSC 218***, while dealing with the issue of reinstatement with back wages on the account of unlawful termination held as under:

“45. We hasten to add that the courts may be confronted with cases where grant of lumpsum compensation, instead of reinstatement with back wages, could be the more appropriate remedy. The courts may, in such cases, providing justification for its approach direct such lumpsum compensation to be paid keeping in mind the interest of the employee as well as the employer.”

11. Moreover, the Supreme Court in the decision in ***SLP(C) No. 19648/2019 titled Allahabad Bank v. Krishan Pal Singh***, decided on 20th September, 2021 held that grant of lumpsum compensation in lieu of reinstatement in service can be one of the courses of action to be adopted by the Courts and Tribunals. The relevant portion of the said decision reads as under:

“8. The directions issued by the High Court of Allahabad for reinstatement were stayed by this Court on 23.08.2019. During the pendency of these proceedings, the respondent – workman had attained age of superannuation. Though, there was strong suspicion, there was no acceptable evidence on record for dismissal of the workman. However, as the workman has worked only for a period of about six years and he has already attained the age of superannuation, it is a fit case for modification of the relief



granted by the High Court. The reinstatement with full back wages is not automatic in every case, where termination / dismissal is found to be not in accordance with procedure prescribed under law. Considering that the respondent was in effective service of the Bank only for about six years and he is out of service since 1991, and in the meantime, respondent had attained age of superannuation, we deem it appropriate that ends of justice would be met by awarding lump sum monetary compensation. We accordingly direct payment of lump sum compensation of Rs.15 lakhs to the respondent, within a period of eight weeks from today. Failing to pay the same within the aforesaid period, the respondent is entitled for interest @ 6% per annum, till payment.

12. Under these circumstances, this Court is of the view that a lumpsum compensation deserves to be paid to the Petitioner. Accordingly, a sum of Rs.5 lakhs is directed to be paid to the Petitioner within a period of three months by the Bank.

13. It is made clear that this order shall not be treated as a precedent and has been passed in the unique facts and circumstances of this case.

14. Petition is disposed of in these terms. All pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
JUDGE**

**MADHU JAIN
JUDGE**

MAY 4, 2026

Rahul/ck