



2026:AHC-LKO:1532

AFR

**HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW**

WRIT - A No. - 15238 of 2025

Ramesh Chandra

.....Petitioner(s)

Versus

U.P. Co-Operative Federation Ltd. Thru. Managing
Director And 2 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Shishir Chandra
Counsel for Respondent(s)	:	Shireesh Kumar

Court No. - 18

HON'BLE SHREE PRAKASH SINGH, J.

Heard Mr. Shishir Chandra, learned counsel for the petitioner and Mr. Shireesh Kumar, learned for the respondents.

The present petition has been preferred challenging the impugned order dated 15.1.2024 passed by the Managing Director of the respondent Federation, whereby an amount of Rs.73,06,857.03 has been shown to be recovered to compensate the loss to the Federation, as well as he was also awarded another punishment of reduction in rank.

The contention of the learned counsel for the petitioner is that the petitioner, who was working as a Store In-charge in the respondent Department, was placed under suspension in the year 2021, and thereafter, an inquiry officer was appointed, who served the charge sheet with a delay of 7 months, on 23rd April 2022. Further submission is that the petitioner filed reply to the charge sheet, and since the inquiry officer did not proceed, he filed Writ-A No.6848 of 2022, challenging the suspension order and further prayed for reinstatement with all consequential benefits. He added that subsequently, the inquiry officer submitted the inquiry report, and thereafter, the disciplinary authority passed the order impugned dated 15.1.2024.

It is argued by the learned counsel for the petitioner that the disciplinary authority, while passing the order dated 15.1.2024, has awarded two

punishments; one for recovery of certain amount as to compensate the pecuniary loss stated to have caused to the Federation and secondly reduction in rank. He added that Regulation 84 of the U.P. Co-operative Societies Employees Service Regulations, 1975 (hereinafter referred to as 'the Regulation 1975') provides the various penalties.

Regulation 84 of the Regulations, 1975 is extracted as under:-

"84. Penalties. (i) Without prejudice to the provisions contained in any other regulation, an employee who commits a breach of duty enjoined upon him or has been convicted for criminal offence or an offence under section 103 of the Act or does anything prohibited by these regulations shall be liable to be punished by any one of the following penalties: -

(a) censure,

(b) with holding of increment.

(c) fine on an employee of Category IV (peon, chaukidar, etc.).

(d) recovery from pay or security deposit to compensate in whole or in part for any pecuniary loss caused to the co-operative society by the employee's conduct,

(e) reduction in rank or grades held substantively by the employee.

(f) removal from service, or

(g) dismissal from service.

(ii) Copy of order of the punishment shall invariably be given to the employee concerned and entry to this effect shall be made in the service record of the employee.

(iii) No penalty except censure shall be imposed unless a show cause notice has been given to the employee and he has either failed to reply within the specified time or his reply has been found to be unsatisfactory by the punishing authority.

(iv)(a) The charge-sheeted employee shall be awarded punishment by the appropriate authority according to the seriousness of the offence:

Provided that no penalty under sub-clause (e), (f) or (g) of clause (i) shall be imposed without recourse to disciplinary proceedings.

(b) No employee shall be removed or dismissed by an authority other than by which he was appointed unless the appointing authority has made prior delegation of such authority to such other person or authority in writing.

(v) The appointing authority or person authorised by him while passing orders for stoppage of increments shall state the period for which it is stopped and whether it shall have effect of postponing future increments or promotion."

Referring the aforesaid provisions, he submitted that Regulation 84(i)(d) of the Regulations, 1975 provides the *recovery from pay or security deposit to compensate in whole or in part for any pecuniary loss caused to the co-operative society by the employee's conduct* and further Regulation 84(i)(e) is with respect to the penalty of reduction in rank or grade. The order impugned is evident that both penalties have been awarded.

He also submitted that this matter travelled upto the Full bench wherein the reference has been decided as follows:-

"42. We, therefore, answer the questions referred to us as under: (1) Since evident contradiction in the language of Regulation 84 of Regulations, 1975 and Rule 83 of Rules, 1980, the aforesaid provisions cannot be harmonized, hence Regulation 84 of Regulations, 1975 shall prevail over Rule 83 of Rules, 1980 and only one of the punishments prescribed can be imposed as specifically stated in Regulation 84 of Regulations, 1975. (2) The Division Bench judgment in Virendra Kumar Gupta's case (supra) lays down correct law and otherwise view expressed by learned Single Judge in Satya Narain Mishra's case (supra) as also expressed in the Reference order is not correct position of law.

Since, as per Regulation 84 of 'Service Regulations of 1975 only one punishment can be awarded and in the instant case, petitioner has been awarded more than one punishment vide impugned order dated 15.01.2024 passed by the respondent No.2 in view of Rule-83 (1) of 'Service Rules of 1980', hence in view of aforesaid settled law, punishment order dated 15.01.2024 is not tenable & illegal."

He argued that while answering the question, the Full Bench had also held that two punishments cannot be awarded, as Regulation 84 of the Regulations 1975 provides for awarding only one punishment. He pointed out that from the order impugned itself, it is apparent that two punishments

have been awarded; first one is recovery of the amount to compensate the loss and the second one is of reduction in rank, which not only goes against the provision of Regulation 84 of the Regulation 1975 but also against the settled proposition of law by the Full Bench of this Court. Therefore, the submission is that the order impugned, is liable to be quashed.

Per contra, Mr. Shireesh Kumar, learned counsel appearing for the respondent Federation, has opposed the contention aforesaid and submitted that only one punishment has been awarded, i.e., reduction in rank. He has drawn attention towards the third paragraph at page 34 of the paper book and submitted that the recovery of the amount mentioned in the impugned order dated 15.1.2024 is not, in fact, a punishment as defined in the penalty under Regulation 84 but merely the amount, which has been computed for recovery against the petitioner for adjustment of the loss occurred to the Federation. Therefore, submission is that no interference is warranted in the order dated 15.1.2024.

Upon considering the submissions of the learned counsel for the parties, it is apparent that vide the order dated 15.1.2024, the disciplinary authority, i.e., the Managing Director of the Federation has passed the order for recovery of amount to the tune of Rs.73,06,857.03 and further another punishment has been awarded, i.e., reduction in rank.

The operative portion of the impugned order reads as under:-

"अतः एतद् द्वारा उपरोक्त प्रकरण में संघ को हुयी कुल वित्तीय क्षति 73,06,857.03 (रूपये तिहत्तर लाख छः हजार आठ सौ सत्तावन रूपये तीन पैसा) की क्षतिपूर्ति श्री रमेश चन्द्र से किये जाने के आदेश के साथ उपरोक्त कृत्य/अनिमियतता हेतु श्री रमेश चन्द्र को सहायक / भण्डारनायक के मूल वेतन पर प्रत्यावर्तित किये जाने के दण्ड के साथ उनके विरुद्ध स्थापित अनुशासनिक कार्यवाही को समाप्त करते हुये सेवा में बहाल किया जाता है।

श्री रमेश चन्द्र को जिला जिला कार्यालय, ललितपुर में तैनात किया जाता है।"

While this Court examines the impugned order in facts and law, it is apparent that Regulation 84 of the Regulations 1975 provides regarding the penalties, i.e., the recovery from pay or security deposit to compensate pecuniary loss caused to the cooperative society provided in clause (d) of the Regulation 84(i), and reduction in rank has been provided in clause (e) of

the Regulation 84(i). From the bare reading of the aforesaid provisions, it is apparent that out of the penalties in clauses (d) and (e) of Regulation 84 (i), only one punishment can be awarded.

This Court has also noticed that the reference made to the Full Bench has also been answered, clarifying the contradiction in the language of Regulation 84 of Regulations 1975 wherein it has been held that, as per Regulation 84 of the Regulations 1975, only one punishment can be awarded.

The impugned order dated 15.1.2024 reveals that two punishments are awarded- first one is of recovery of amount provided therein as compensation for causing loss to the Co-operative Society and secondly, the reduction in rank, which is impermissible as per the provisions of Regulation 84 of the Regulations 1975, as well as the law laid down by the Full Bench of this Court.

After the aforesaid observations, learned counsel for the respondents submits that the matter may be relegated to respondent no.2 to pass a fresh order, to which the learned counsel for the petitioner has no objection.

In view of the aforesaid, the order impugned dated 15.1.2024 is hereby quashed.

The matter is relegated back to the respondent no.2, Managing Director of the Federation to pass a fresh order, on the inquiry report submitted by the inquiry officer, within a period of six weeks from the date a certified copy of this order is produced before him, after affording opportunity of hearing to the petitioner.

With the aforesaid observations, the present writ petition is hereby allowed.

(Shree Prakash Singh,J.)

January 7, 2026

Ram Murti