

Panchshila Industrial Co-Operative Societies (Multi-Unit)

Vs

The Gurgaon Central Co-Operative Bank Ltd., Gurgaon

Civil Appeal No. 2293 (N) of 1970

(CJI S. M. Sikri, A.N. Ray, D.G. Palekar JJ)

06.08.1971

JUDGMENT

SIKRI, C. J. -

1. This appeal by special leave is against the order of the Central Registrar of Co-operative Societies, New Delhi, dismissing the appeal filed by Panchshila Industrial Co-operative Society (Multi Unit), appellant before us, against the award passed by the arbitrator (Deputy Registrar of Co-operative Societies, Rohtak), dated October 7, 1969, in respect of the dispute between the Gurgaon Central Co-operative Bank Ltd., Gurgaon, respondent before us, and the appellant. The Central Registrar held that he was not the appropriate appellate authority against the award in question.
2. The only question which arises before us is whether the Central Registrar was the appropriate authority on the facts of this case. The relevant facts are these. The respondent Bank approached the Registrar of Co-operative Societies, Haryana, for resolving a dispute between the Bank and one of its members, appellant before us. The Registrar, by his order, dated February 17, 1968, in exercise of the powers vested in him under Section 56 of the Punjab Co-operative Societies Act, 1961, referred the dispute to the Deputy Registrar, Co-operative Societies, Rohtak, for decision. The arbitrator gave the award on October 7, 1969, directing that the appellant to pay to the respondent in all Rs. 16,05,658.20 together with interest at the rate of six and a half per cent. per annum until the realisation of the principal amount, viz., Rs. 11,52,535.00.
3. The appellant, as mentioned above, filed an appeal against this award before the Central Registrar. The respondent Bank is a co-operative society governed by the provisions of the Punjab Co-operative Societies Act, 1961. Section 55(1) of this Act inter alia provides that if any dispute touching the constitution, management or the business of a co-operative society arises between a member and the society, such dispute shall be referred to the Registrar for decision and on Court shall have jurisdiction to entertain any suit or other proceeding in respect of such dispute. Section 55(2) provides that for the purposes of sub-section (1) a claim by the society for any debt or demand due to it from a member or the nominee, heirs or legal representatives of a deceased member, whether such debt or demand be admitted or not, shall be deemed to be a dispute touching the constitution, management or the business of the co-operative society. Sub-section (3) of Section 55 provides that "if any question arises whether a dispute referred to the Registrar under this section is or is not a dispute touching the constitution, management or the business of a co-operative society, the decision thereon of the Registrar shall be final and shall not be called in question in any court."

4. There is no doubt that the dispute between the respondent Bank and the appellant fell within Section 55 and was properly referred to arbitration under that section. It is, however, contended that the appellant was registered in December, 1955, under the Punjab Co-operative Societies Act, 1955, and by virtue of the States Reorganisation Act, 1956, and Section 5-A of the Multi-Unit Co-operative Societies Act, 1942, the appellant has ceased to be governed by the provisions of the Punjab Co-operative Societies Act because it has become a multi-unit co-operative society. There is no doubt that by virtue of the State Reorganisation Act, 1956, and Section 5-A of the Multi-Unit Co-operative Societies Act, 1942, the appellant has become a multi-unit co-operative society and the Multi-Unit Co-operative Societies Act applies to it. But that Act is for the incorporation, regulation and winding up of co-operative societies with objects not confined to one State, and it has no impact on Section 55 of the Punjab Co-operative Societies Act, 1961, inasmuch as the appellant remains a member of the co-operative society, namely, the respondent Bank. There is nothing in the provisions of the Multi-Unit Co-operative Societies Act to indicate that a multi-unit co-operative society cannot be a member of a co-operative society governed by the Punjab Act of 1961. If the appellant continues to be a member, then the terms of Section 55 apply and a dispute can be referred to arbitration under that section. An appeal against that award lies under Section 68 of the Punjab Act of 1961 to the Government if the decision or order was made by the Registrar, and to the Registrar if the decision or order was made by any other person. It is quite clear, therefore, that the Central Registrar had no jurisdiction to hear the appeal.

5. The learned counsel next contends that the Central Registrar should not have dismissed the appeal but returned the memorandum of appeal for presentation to the proper authority. There is no statutory provisions enabling the Central Registrar to do so. At any rate, if an appeal is filed before the appropriate authority under the Punjab Co-operative Societies Act, 1961, that authority will no doubt take into consideration the provisions of Section 14 of the Limitation Act, 1963, read with Section 29(2) and decide whether the appeal should be entertained or not.

6. In the result the appeal fails and is dismissed with costs.

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