

Balwant Singh

Versus

State of Haryana

Civil Appeal Nos. 354-55 of 1984

(D.P. Wadhwa, N. Santosh Hegde JJ)

23.03.1999

JUDGMENT

N. Santosh Hegde, J.

1. These appeals are against the judgment and order dated 19.4.1983 passed by the High Court of Punjab and Haryana in Civil Writ Petition Nos. 2621 and 2622 of 1976. The appellant who was the petitioner before the High Court, filed the aforesaid writ petitions challenging an order made by the second respondent herein appointing the 3rd respondent as an arbitrator under the provisions of the Punjab Cooperative Societies Act, 1961 (for short 'the Act') which petitions came to be dismissed by the Full Bench of the High Court, following an earlier Full Bench judgment of the same High Court which is since reported as *Mam Raj v. State of Haryana and Others*, AIR 1982 P&H 211.

2. In these appeals, it is contended by the appellant that the provisions of Section 55(1)(b) of the Act are not applicable with regard to any dispute arising between an employee of a Cooperative Society and another Cooperative Society and the dispute in the instant case being between Shahbad Farm Cooperative Marketing cum Processing Society Ltd. (for short 'the Shahbad Society') and an employee of Nalvi Cooperative Agricultural Service Society (for short the 'Nalvi Society'), such dispute could not have been referred to an arbitrator under the provisions of the Act.

3. In support of his contention, the appellant has sought to place reliance on a judgment of this Court in *Deccan Merchants Co-operative Bank Ltd. v. M/s. Dalichand Jugraj Jain and Others*, 1969(1) SCR 887. In our opinion, the ratio laid down in the said judgment is not applicable to the facts of this case. The dispute in that case was in relation to a property leased by a member of the Society to the Society and the question was whether such a dispute comes under the purview of the arbitration clause provided for in the Act. There, it was held by this Court that though the person who leased the property to the Society, was a member of the Society, the nature of the dispute was such that it did not pertain to the management and business of the Cooperative Society. In the instant case, the appellant though was employed by the Nalvi Society as a salesman was in fact, a member of the Shahbad Society. The dispute in question was with reference to an amount collected by the appellant which was payable to the Shahbad Society. Therefore, the claim of the Shahbad Society is certainly the one pertaining to the management and business of the Shahbad Society. Therefore, in our opinion, the dispute squarely falls within Section 55 of the Act. It is unfortunate that the appellant in his special leave petition did not disclose this fact that he was a member of the Shahbad Society. On the contrary, he had only highlighted the fact that he was an employee of the Nalvi Society and, as such, the dispute between him and the Shahbad Society could not come under Section 55 of the Act. It is only after a counter was filed on behalf of the Shahbad Society that it has come on record that the appellant is also a member of the Shahbad Society. To this extent it should

be said that the appellant was not fair to this Court in presenting his case. It has also come on record that the arbitrator has already passed an award against the appellant and it is only by virtue of the interim order passed by this Court that award is not yet executed.

4. At any rate, we having come to the conclusion that in view of the fact that the appellant is a member of the Shahbad Society and as a member any amount due from him to the Society, would come within the purview of the dispute touching upon the management and business of the Society. We find no merit in these appeals and the same are dismissed with costs.