

**PANCHSHILA INDUSTRIAL CO-OPERATIVE SOCIETIES**  
(MULTI UNIT)

v.

**GURGAON CENTRAL CO-OPERATIVE BANK LTD. GURGAON**

*August 6, 1971.*

[S.M. SIKRI, C.J., A. N. RAY AND D. G. PALEKAR, JJ.]

*Punjab Co-operative Societies Act, 1961, s. 55—Multi Unit Co-operative Societies Act, 1942—Latter Act has no impact on s. 55 of the former Act—Central Registrar not appellate authority against award in respect of disputes between co-operative society governed by Punjab Act of 1961 and its member.*

The respondent bank is a co-operative society governed by the Punjab Co-operative Societies Act, 1961. A dispute between the bank and the appellant, one of its members, was referred by the Registrar of Co-operative Societies, in exercise of the powers vested in him by s. 55 of the Act, to the Deputy Registrar, Co-operative Societies for arbitration. The appellant filed an appeal against the award before the Central Registrar of Co-operative Societies. The Central Registrar dismissed the appeal holding that he was not the appropriate appellate authority, under the Act. In appeal to this Court the appellant contended that it was registered in 1955 under the Punjab Co-operative Societies Act 1955 and by virtue of the States Reorganisation Act, 1956 and s. 5(A) of the Multi-Unit Co-operative Societies Act, 1942, it had ceased to be governed by the provisions of the Punjab Co-operative Societies Act, because, it had become a multi-unit co-operative Society. Dismissing the appeal,

**HELD :** 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. The multi unit co-operative societies 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 s. 55 of the Punjab Co-operative Societies Act, 1961, in as much as the appellant remains a member of the Co-operative Society, namely, the respondent bank. If the appellant continues to be a member then the terms of s. 55 apply and a dispute can be referred to arbitration under that section. An appeal against that award lies under s. 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 is made by any other person. Therefore the Central Registrar had no jurisdiction to hear the appeal.

[46H]

**CIVIL APPELLATE JURISDICTION:** Civil Appeal No. 2293 of 1970.

A Appeal by special leave from the order dated May 4, 1970 of the Central Registrar of Co-operative Societies, New Delhi in Appeal No. CR/1/70.

*Harbans Singh*, for the appellant.

B *Remeshwar Dial* and *A.D. Mathur*, for the respondent.

The Judgment of the Court was delivered by

C **Sikri, C. J.**—This appeal by special leave is against the order of the Central Registrar of Cooperative Societies New Delhi dismissing the appeal filed by Panchshila Industrial Cooperative Society (Multi Unit) appellant before us against the award passed by the Arbitrator (Deputy Registrar of Cooperative Societies Rohtak) dated October 7, 1969, in respect of the dispute between the D Gurgaon Central Cooperative 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.

E 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 Cooperative 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 s. 56 of the Punjab F Co-operative Societies Act, 1961, referred the dispute to the Deputy Registrar Cooperative Societies Rohtak for decision. The arbitrator gave the award on October 7, 1969, directing that the appellant do 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 G the principal amount *viz.* Rs. 11,52,535·00.

H 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 no 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 s. 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 cooperative society, the decision thereon of the Registrar shall be final and shall not be called in question in any court."

There is no doubt that the dispute between the respondent Bank and the appellant fell within s. 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 Cooperative Societies Act, 1955, and by virtue of the States Reorganisation Act, 1956, and s. 5A 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 States Reorganisation Act, 1956, and s. 5A 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 s. 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 s. 55 apply and a dispute can be referred to arbitration under that section. An appeal against that award lies under s. 68 of the Punjab Act of

A

B

C

D

E

F

G

H

**A** 1961 to the Government of 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.

**B** 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 provision 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 s. 14 of the Limitation Act, 1963, read with s. 29(2) and decide whether the appeal should be entertained or not.

**C** In the result the appeal fails and is dismissed with costs.

**D** K.B.N.

*Appeal dismissed.*