

**1980 KHC 889**

Supreme Court

*\*V. R. Krishna Iyer; A. D. Koshal; O. Chinnappa Reddy, JJ.*

Tara Chand v. Zamindar Cooperative Marketing-cum-Processing Society Ltd.and Others

C. A. No. 411 of 1980

13 March, 1980

*Cooperative Societies - Cooperative Societies Act, 1961 (Punjab), S.55 -- Member of the primary society not a member of the central society -- Question as to whether dispute can be raised left open in view of the compromise arrived at by the parties. (Para 1)*

### **JUDGMENT**

V. R.Krishna Iyer, J.

1.This appeal by special leave raises a question of law as to whether under S.55 of Punjab Cooperative Societies Act, 1961, there is jurisdiction for the Arbitrator to decide a dispute touching business of the Central Society (respondent 1) and a member of the Primary Society (respondent 2). The appellant is only a member of respondent 2. These scheme is like this. The membership of an apex society consists of central societies. Each central society has members consisting of primary societies. The present appellant is not a Primary Society but only a member of a Primary Society. It is far from clear as to whether a mere member of a Primary Society will come within the scope of S.55 of the Act. The reason is that the appellant is not a member of the Central Society but merely a member of a Primary Society, which is a member of the Central Society. Having regard to the fact that the central societies' resources should not be lost in mere litigation, we suggested to the parties to settle the matter and counsel have persuaded both sides to agree, to what we think is a fair resolution of the conflict i.e. that appellant will pay a sum of Rs. 2750 to the first respondent (Central Society) in two instalments. He will pay on or before May 31, 1980 a sum of Rs. 1700 and a sum of Rs. 1050 on or before January 31, 1981. In case of default of the first instalment, the entire sum will be due and recoverable with interest at 12 per cent. and so also in case of default of the second instalment.

2. If these two sums (together totalling Rs. 2750) are paid on time there will be a complete discharge of his liabilities (both civil and criminal), but the Central Society (respondent 1) will be free to pursue its remedies by way of execution of the Award already obtained or otherwise against the Primary Society (respondent 2). With these directions we dispose of the appeal.