IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.10.2025

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THE HONOURABLE MRS.JUSTICE R. KALAIMATHI

S.A.No.302 of 2024

U. Irulandi ...Appellant/Plaintiff

Vs.

1. The General Manager,
Reserve Bank of India Employees's Co-operative
Bank Limited,
Annex Buildings of Reserve Bank of India Buildings,
Rajaji Salai, Chennai – 600 001.

2. The Deputy Registrar, (Debt),
Office of the Registrar of Co-operative Societies,
Kuralagam Buildings, 2nd Floor,
Chennai – 600 108.

...Respondents/Defendants

PRAYER:- This Second Appeal is filed under Section 100 of Code of Civil Procedure, 1908, to set aside the judgment and decree dated 21.04.2022 made in A.S.No.106 of 2021 on the file of XXI Additional City Civil Court, Chennai confirming the judgment and decree dated 06.11.2019 made in I.A.No.1 of 2019 in O.S.No.593 of 2019 on the file of XV Assistant City Civil Court, Chennai and to allow this Appeal.

For Appellant : Mr.T.S.Ravi

For R1 : Mr.D.Gopinath
For R2 : Mr.P.Gurunathan
Additional Government Pleader

JUDGMENT

This Second Appeal has been preferred by the plaintiff against the judgment and decree dated 21.04.2022 passed in A.S.No.106 of 2021 by the XXI-Additional City Civil Court, Chennai.

2. Parties are indicated herein as per their litigative status and ranking before the Trial Court.

3. According to the petitioner / 1st defendant (General Manager of Reserve Bank of India, the Reserve Bank Employees Co-operative Bank Limited, Rajaji Salai, Chennai), 2nd defendant Bank is a Co-operative Bank comes under the Tamil Nadu Co-operative Societies Act, 1983. The plaintiff U.Irulandi and B.R.Baskaran are members of the 1st defendant Co-operative Bank. On 01.11.2002, B.R.Baskaran obtained loan to the tune of Rs.1,78,700/- from the 1st defendant Bank and plaintiff stood as surety for the said loan and loan agreement for the same. The plaintiff is bound to repay the loan amount jointly and severely. The said B.R.Baskaran did not

promptly make repayment of the said loan. The petitioner's Bank, RBI Employees Co-operative Bank Limited, Chennai, filed A.R.C.No.1209/04-05 before the Arbitrator against B.R.Baskaran and the plaintiff Irulandi. The Arbitrator sent notice to the B.R.Baskaran and 1st respondent Irulandi. On 27.05.2005, an Award was passed under Section 90 of the Tamil Nadu Co-operative Societies Act. As per the Award, the said B.R.Baskaran and 1st respondent Irulandi are jointly and severally liable to pay a sum of Rs.2,31,788/- with interest at 13% per annum from the date of the Award till realization. As per Section 156 of the Tamil Nadu Co-operative Societies Act, 1983, Civil Court does not have jurisdiction to try the suit as per Order VII Rule 11(a) and (d) of CPC and the plaint is liable to be rejected. On behalf of the plaintiff/1st respondent, it is contended that the petitioner misled and suppressed the material fact of the case. The deposit amount of Rs.49,450/- and the members of the Family Welfare deposit of Rs.11,000/- are lying with the 1st defendant's Bank to be settled to the 1st respondent/plaintiff by the 1st defendant. The petitioner/1st defendant has no right to freeze the said amount in any manner without any prior notice to the plaintiff. So the cause of action has been disclosed in the plaint.

4. During enquiry, no witness was examined by either side. On the petitioner's side, four documents were marked and on the 1st

respondent/plaintiff side, ten documents were marked.

5. After hearing the arguments advanced by either side, it was concluded that as per Section 156 of the Tamil Nadu Co-operative Societies Act, jurisdiction of the Civil Court is barred for recovery of money and the respondent/plaintiff has to approach the Registrar of the Tamil Nadu Co-operative Societies and held that the suit is liable to be rejected under Order VII Rule 11 (d) of CPC.

6. The plaintiff U.Irulandi, laid the suit for recovery of money. He is a retired employee of Reserve Bank of India. He retired on 31.12.2012. The plaintiff is a member of 1st defendant Co-operative Bank. After his retirement from the Reserve Bank of India, the 1st defendant has to pay share capital amount of Rs.24,000/-, thrift deposit amount Rs.49,450/-, and Members Family Welfare Deposit Amount of Rs.11,100/-, total sum of Rs.84,550/- payable to the plaintiff. But, the 1st defendant did not settle the above said amount. He sent representations to the 1st defendant on 06.08.2012, 07.03.2013 and 22.01.2015 and further issued legal notice on 26.02.2018 to pay the above said amount with interest at the rate of 24% per annum. The 1st defendant sent a letter to the respondent/plaintiff on 18.05.2018 instructing the plaintiff to contact the Deputy Registrar of Tamil Nadu Co-

operative Societies. The plaintiff again sent a representation on 26.06.2018 to the 2nd defendant herein. The 2nd defendant gave a reply that the plaintiff stood as a guarantor to one Baskaran while he was in service and against the said Baskaran legal proceedings is pending. Therefore, they are not in a position to consider the plaintiff's demand and hence, the plaintiff filed the suit for recovery of the above said money.

7. A perusal of Order VII Rule 11 of CPC shows that the plaint can be rejected only if it appears from the reading of the plaint to be barred by any law. In this regard, the documents filed with the plaint may be looked into. For a proper understanding, Order VII Rule 11 (a) and (d) of CPC are extracted hereunder:-

> *"Order VII Rule 11. Rejection of plaint.— The plaint shall be rejected in the following cases:-*
>
> *(a) where it does not disclose a cause of action;*
>
> *(d) where the suit appears from the statement in the plaint to be barred by any law;"*

8. After hearing the arguments advanced by both sides, the trial Court held that as per Sections 90 (b) and 156 of Tamil Nadu Co-operative Societies Act, for recovery of money, the respondent/plaintiff has to approach the Registrar of the Tamil Nadu Co-operative Societies and the suit is liable

to be rejected under Order VII Rule 11 (d) of CPC. Aggrieved, the plaintiff preferred appeal before the XXI Additional City Civil Court, Chennai in A.S.No.106 of 2021. The First Appellate Court after hearing arguments advanced by either side, dismissed the appeal by holding that the dispute involves a past member and the Society and therefore, the dispute shall be referred to the Registrar of the Co-operative Societies and in view of the bar under Section 156 of Tamil Nadu Co-operative Societies Act, jurisdiction of the Civil Court is barred and the appeal was dismissed by confirming the judgment and decree of the order of the trial Court.

9. From the perusal of the records, it is deducible that the plaintiff is a past member of the 1st defendant Employee's Co-operative Bank.

10. The plaintiff is a retired employee of Reserve Bank of India and member of Reserve Bank Employee's Co-operative Bank Limited and had transaction in S/B Account No.4033 till his retirement. The plaintiff has an amount of Rs.24,000/-, Rs.49,450/- towards thrift deposit amount and a sum of Rs.11,000/- towards Family Welfare Deposit amount, aggregating to Rs.84,550/- as on 31.12.2012 (till his date of retirement in the employees Co-operative Bank). After his retirement, the plaintiff expected the society to settle the dues, but the 1st defendant did not settle the dues. Hence, he gave

a representation on 06.08.2012 to the 1st defendant, but he did not repay the amount. Thereafter, the plaintiff caused to issue legal notice dated 26.02.2018 calling upon the 1st defendant to set right his dues. A reply was sent by the 1st defendant on 18.05.2018 directing the plaintiff to contact the Deputy Registrar, Tamil Nadu Co-operative Societies, in respect of his claim. The plaintiff inturn sent a detailed representation to the 1st defendant on 26.06.2018. The 2nd defendant sent a reply to the plaintiff by stating that the plaintiff stood as guarantor to one B.R.Baskaran and his legal proceedings is pending and therefore, the demand of he plaintiff could not be met. Therefore, the plaintiff laid the suit for recovery of the said amount.

11. The 1st defendant filed I.A.No.1 of 2019 under Order VII Rule 11 (a) and (d) read with Section 151 of CPC, praying to reject the plaint. The 1st defendant claimed that the plaintiff as a guarantor and one B.R.Baskaran obtained loan of Rs.1,78,700/- on 01.11.2002. The plaintiff stood as surety for the said loan. B.R.Baskaran did not promptly repay the loan. The case in A.R.C.1209/04-05 was filed before the Arbitrator against the principle debtor B.R.Baskaran and the surety– the plaintiff Irulandi. On 27.05.2005, award was passed for a sum of Rs.2,31,788/- with interest at the rate of 13% per annum under Section 90 of Tamil Nadu Co-operative Societies Act. As per

Section 156 of the said Act, the Civil Court does not have any jurisdiction to try the suit.

12. Per contra, the 1st respondent/ plaintiff, inter-alia would contend that the award passed by the Arbitrator is barred by limitation and therefore, he cannot make any adjustments to the said loan. The 1st defendant is the Reserve Bank of India Employees Co-operative Bank. The employees of the Reserve Bank have formed the Co-operative Society for the welfare of its members under the name and style of Reserve Bank of India Employees Co-operative Bank Limited. As it is a co-operative Bank, it comes under the purview of Tamil Nadu Co-operative Societies Bank. The amount of the plaintiff lies with the 1st defendant Co-operative Bank and the 1st defendant has refused to return the amount of the plaintiff.

13. As per Section 75(3) of the Tamil Nadu Co-operative Societies Act, any dispute among the members, past members or persons claiming through the members and the Society has to be decided by the Competent Authority constituted under the said provision or the Registrar of the Co-operative Society.

14. In this case, the dispute has to be referred to the Registrar of the Co-operative society. Furthermore, as per Section 152 of the Act, if any person is affected by the decision passed under Sections 87(1), 90(2), (3) and (4) and such other provisions of the Act, again, they have to seek remedy within the Act by preferring appeal, review or revision.

15. Whether the plaintiff as a past member can approach the Civil Court for redressal is the moot question. As per Section 156 of Tamil Nadu Co-operative Societies Act, in such a nature of dispute, Civil Court jurisdiction is barred. In consideration of the nature of dispute, because of the bar of the Civil Court jurisdiction, the trial Court as well as the First Appellate Court have rightly rejected the plaint in a proper perspective. This Court is of the considered view that the judgment of the First Appellate Court does not suffer from any perversity or infirmity. This Court also does not find any good reason to upset the finding of the First Appellate Court. No substantial question of law arise for consideration.

16. Above being the position, this Second Appeal stands dismissed. Sequal to this, the judgment and decree dated 21.04.2022 passed in A.S.No.106 of 2021 by the XXI Additional City Civil Court, Chennai stands confirmed. There is no order as to costs.

07.10.2025

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No

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Copy to

1. The XXI Additional City Civil Court, Chennai

2. The XV Assistant City Civil Court, Chennai

3. The General Manager,
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R.KALAIMATHI, J.

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