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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 14294/2023 & CM APPL. 56598/2023

RAJEEV GOSWAMI AND ANR. .....Petitioners

Through: Mr. Harshvardhan Pandey, Advs.

versus

THE C.A COOPERATIVE THRIFT AND CREDIT SOCIETY LTD. AND ORS .....Respondents

Through: Mr. S.K. Sharma and Mr. J.S. Anand, Advocates for R-1.
Mr. Abhinav Sharma, Adv. for R-2 & 4 /RCS
Mr. Raghvendra Upadhyay, Panel Counsel for R-2

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\+ W.P.(C) 14871/2023 & CM APPL. 59201/2023

SANJAY GOSWAMI AND ANR. .....Petitioners

Through: Mr. Harshvardhan Pandey, Adv.

versus

THE C A COOPERATIVE THRIFT AND CREDIT SOCIETY LTD. AND ORS. .....Respondents

Through: Mr. S.K. Sharma and Mr. J.S. Anand, Advocates for R-1.
Mr. Abhinav Sharma, Adv. for R-2 & 4 /RCS

CORAM:
HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE
HON'BLE MR. JUSTICE ANISH DAYAL

ORDER

% **28.10.2025**

1. This petition is filed by the borrower seeking a *writ of certiorari* for

setting aside of award dated 12th December 2013, passed by respondent no.3/Arbitrator, as also order dated 8th August 2023 passed by the Delhi Co-operative Tribunal (hereinafter, ***"DCT"***).

2. Facts necessary for deciding the present petition are as under:

(i) Respondent no.1 is a Credit Co-operative Society. Petitioner no.1 (*Mr. Rajeev Goswami*) approached respondent no.1 for sanction and disbursement of loan of *Rs.1,70,000/-* on 27th November 2004. Petitioner no.2 (*Mr. Sanjay Goswami*) stood as surety for repayment of the said loan amount.

(ii) It appears that the loan was to be repaid by petitioner within a period of *twenty-four* (24) months from the date of its disbursement in 24 equal monthly instalments (**EMIs**).

(iii) The schedule of repayment reflects that the petitioner paid the last instalment in March 2011 and subsequent thereto, the proceedings for recovery were initiated on 31st March 2013.

(iv) The said proceedings were resisted by petitioner on the ground of limitation and reliance is sought to be placed on *Section 70(1)(b)*, *Section 70(4)(a)(i)* and *Section 70(4)(a)(ii)* of the Delhi Co-operative Societies Act 2003 (hereinafter, ***"DCS Act"***).

(v) By appreciating the contentions of petitioner herein, DCT rejected the appeal preferred by the petitioner, therefore, resulting in the present petition.

3. Amongst other contentions, it is claimed that if repayment was due and payable to respondent, way back in November 2006, limitation shall start running from the said date, i.e. within six years thereafter, if *Section 70(4)(a)(ii)* of the DCS Act is to be invoked. It is further claimed that since the proceedings were initiated on 31st March 2013, *i.e.* after more than six

years, proceedings are therefore, time barred.

4. Further contention is raised that the 'omission', referred to in *Section 70(4)(a)(ii)* of the DCS Act must be reckoned from the date on which the last date of repayment was due. In such an eventuality, merely because last payment was in March 2011, the limitation of six years cannot be reckoned from March 2011 and in this case, it must be calculated from November 2006.

5. It is further contented that, if loan has to be repaid by keeping the account open, until the liability is satisfied, same is contrary to the limitation prescribed under Section 70 of the DCS Act. According to him, the document did not prescribe the period of repayment and in such an eventuality, limitation is to be reckoned from the date when the loan was sanctioned and the last repayment was due and payable.

6. As such, it is claimed that both, the impugned award and impugned order go contrary to the mandate provided under *Section 70(4)* of the DCS Act.

7. As against the above, counsel appearing for the respondent would urge that the last repayment as reflected in the account was by depositing cash in March 2011. It is further urged that deposits to the tune of Rs. 1,25,000/- and Rs.88,934/- were adjusted on 20th June 2015 and 8th August 2015, respectively.

8. It is brought to our notice from the record of the proceedings that aforesaid statement of account was well within the knowledge of the petitioner. In such an eventuality, it is claimed that even if the Tribunal has relied on *Section 70(4)(a)(i)*, it is *Section 70(4)(a)(ii)* which will be attracted. That being so, dismissal of the petition is sought.

9. We have appreciated the submissions.

10. Provisions of *Section 70(4)(a)(i)* and *Section 70(4)(a)(ii)* read as under:

> "*(4) (a) Notwithstanding anything contained in the Limitation Act, 1963, but subject to the specific provisions made in this Act, the period of limitation in the case of a dispute referred to the Registrar under sub-section (1) shall -*
> *(i) when the dispute relates to the recovery of any sum including interest thereon due to a co-operative society by a member thereof, be computed from the date on which such member dies or ceases to be member of the co-operative society, be three years;*
> *(ii) save as otherwise provided in sub-clause (iii), when the dispute relates to any act or omission on the part of any of the parties referred to in clause (b) or clause (c) of sub-section (1), be six years from the date on which the act or omission with reference to which the dispute arose or took place;*"

11. A plain reading of *Section 70(4)(a)(i)* would reflect that the same is attracted in case, if there is death of a member or if the person ceases to be a member of a cooperative society. That is not the case in the present petition. This takes us to *Section 70(4)(a)(ii)* of the DCS Act.

12. Though the learned counsel for petitioner has relied on the wordings '*act or omission*' used in *Section 70(4)(a)(ii)*, in this case, the same be referred as the last date of repayment.

13. We can refer to the re-payment adjusted from the fixed deposit made by the petitioner in 2015 against the loan account. A statement of account to that effect is already available on record. The said adjustment appears to be in tune with the claim put forth by the petitioner at *Annexure P6* of the present petition, *i.e.* reply placed on record by the petitioner before the Assistant Registrar in the arbitration proceedings.

14. The relevant stand of the petitioner to that effect reads as under:

> "*1(c) The father of the Defendant No. 1 herein Sh. KL.*

Goswami also had an account in the Claimant Society and he was also a member. Sh. K. L. Goswami· had a Fixed Deposit (FDR) issued by the Claimant Society to the tune of Rs. 2,50.000/- (Rupees Two Lacs Fifty Thousand Only). The wife of the defendant No.1 also had a fixed deposit (FDR) issued by the Claimant Society to the tune of Rs. 90,706/-. The children of the defendant No. 1 also had fixed deposit (FDR) issued by the Claimant Society to the tune of Rs. 1,00,000/-.

(d) In 2004, Sh. G.P. Aggarwal was the President of the Claimant Society and he was known to the Defendants herein and their father. The Defendant No.1 herein was in need of some funds and she was told by Sh. G.P. Aggarwal to contact one Sh. Rajesh Arora (CA) who would be able to assist the Defendants and provide them with a loan facility. Accordingly, the Defendants herein applied for loan through Sh. Rajesh Arora and a loan of Rs.1,50,000/- (Rupees One Lac Fifty Thousand Only) was sanctioned in favour of the Defendant No.; 1. Defendants No. 2 & 3 stood surety in respect of the said loan.

(e) While applying for the aforesaid loan, Sh. G.P. Aggarwal and Sh. Rajesh Arora were aware of the fact that the family member of the Defendant No.1 herein was having an FDR of Rs.4,40,000/- with the Claimant Society. The Defendants were made to understand at the time of applying for the loan that as and when need arose, or the Defendants becoming incapable of repaying the loan, the Claimant Society would be entitled to liquidate the said FDR and set off the same against the outstanding loan (if any). This mode and understanding was clear between the Defendants and the aforesaid persons and the Claimant Society and on this condition / stipulation, the loan was disbursed by the Claimant Society and it retained the possession of the FDR."

15. Even if it is presumed, for the sake of arguments, that such an adjustment from the fixed deposit is against the wishes of the petitioner, fact remains that the last repayment was made by the petitioner in March 2011, when he deposited *Rs.25,000* in cash. It is the case of the petitioner

that repayments were made by him in cash, as could be inferred from the stand taken before the authorities below.

16. In such an eventuality, we are of the view that the limitation in any case will start running from March 2011, and the proceedings initiated for recovery of the amount on 31st March 2013 are within limitation as prescribed under *Section 70(4)(a)(ii)* of the DCS Act.

17. That being so, observations made by the authorities below do not warrant any interference, particularly, having regard to the findings recorded by this Court, in view of the provisions of *Section 70(4)(a)(ii)* of the DCS Act.

18. As such, both these petitions lack merit and are dismissed accordingly.

19. Order be uploaded on the website of this Court.

NITIN WASUDEO SAMBRE, J

ANISH DAYAL, J

OCTOBER 28, 2025/sm/*sp*