



126

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CM No.2331-C of 2026 in/and
RSA No.2067 of 2019 (O&M)
Date of Decision : 10.03.2026**

The Cheeka Vikas Co-operative Housing Building Society through its
SecretaryAppellant

Versus

Surjeet Singh and anotherRespondents

CORAM: HON'BLE MR JUSTICE PANKAJ JAIN

Present: Mr. Rajeev Sharma (Raju), Advocate
for the appellant.

PANKAJ JAIN, J. (ORAL)

CM No.2331-C of 2026

This is an application filed under Order XLI Rule 19 CPC seeking restoration of the main appeal, which was dismissed for want of prosecution on 28.01.2026.

For the reasons recorded in the application, the same is allowed. The main appeal is restored to its original number and taken on Board today itself for hearing.

RSA No.2067 of 2019 (O&M)

Defendant No.1 is in second appeal.



2. For convenience and to avoid confusion, the parties hereinafter are referred to as by their original position before the Court of the First Instance i.e., the appellant as 'defendant No.1', respondent No.1 as 'plaintiff' and respondent No.2 as 'defendant No.2'.

3. Plaintiff filed suit seeking decree of mandatory injunction along with consequential relief of permanent injunction.

4. As per plaintiff, his predecessor-in-interest/father namely Gurcharan Singh raised a loan of Rs.52,500/- from the defendant-Society in the year 1991 by mortgaging his residential plot. Gurcharan Singh repaid the loan by paying installments upto the year 2007. Nothing remained pending after Gurcharan Singh repaid the entire loan under OTS scheme. Society accordingly issued No Due Certificate, Exhibit P-1. Defendants, however, failed to return title deeds w.r.t. the property. After the plaintiff approached defendant/Society for return of the title deeds, an amount of Rs.20,000/- was demanded from him.

5. Suit was contested by the defendant/Society. Raising of loan amount of Rs.52,500/- by Gurcharan Singh, was admitted. It was claimed that the loan was to be paid back within a period of 20 years by way of equal quarterly installments along with interest @ 15.70% per annum. In case of default of payment of quarterly installments, the borrower was required to pay penal interest @ 2.50% plus agreed interest rate (15.70% per annum) i.e., total 18.20% per annum. Plaintiff having failed to comply with the



conditions and having defaulted in payment of loan amount, was served a notice to deposit the due amount outstanding against him.

6. The Court of the First Instance after analysing the evidence on record concluded that the plaintiff proved No Dues Certificate, Exhibit P-1. As per which, all the loan amount stands paid back and the same stands corroborated by Exhibit P-2, which also bears entry w.r.t. payment of Rs.52,500/- along with interest by Gurcharan Singh. The factum of issuance of 'No Dues Certificate' (Exhibit P-1) stands admitted by Jai Kishan, Secretary of the Society, who appeared as DW-1. Once, the Society itself has issued 'No Dues Certificate' (Exhibit P-1) w.r.t. repayment of the entire loan amount, plaintiff cannot be denied title deeds. Accordingly, Court of the First Instance decreed the suit filed by the plaintiff.

7. The finding stands affirmed by the Lower Appellate Court in appeal preferred by the defendants.

8. Counsel for the defendant-appellant while assailing the impugned judgment and decree has invoked Section 102 read with Section 128 of the Haryana Cooperative Societies Act, 1984 (hereinafter referred to as 'the 1984 Act') to submit that once there was a dispute between the loanee as well as the Cooperative Society, the redressal has to be by way of arbitration and jurisdiction of Civil Court will be barred.

9. I have heard counsel for the appellant and have carefully gone through the records of the case.



10. In order to appreciate the arguments raised by counsel for the appellant, provisions as contained under Sections 102 and 128 of the 1984 Act, need to be perused:

“Section 102 - Disputes for arbitration-

(1) Notwithstanding anything contained in any law for the time being in force, if any dispute touching the constitution, management or the business of a cooperative society [other than a dispute of disciplinary action or dispute relating to service matters in respect of a paid servant of a society] rises -

(a) among members, past members and persons claiming through a member, past member or deceased member; or

(b) between a member, past member or persons claiming through a member, past member or deceased member and the society, its committee or any officer, agent or employee of the society or liquidator, past or present; or

(c) between the society or its committee and any past committee, any officer, agent or employee or any past officer, agent or employee or the nominee, heirs or legal representatives of any deceased officer, agent or employee of the society; or

(d) between the society and any other society, between a society and liquidator of another society or between the liquidator of one society and the liquidator of another society;

such disputes shall be referred to the arbitration of the Registrar for decision and no court shall have jurisdiction to entertain any suit or other proceedings in respect of such dispute.

[Provided that any proceedings pending or concluded under Section 101 shall not constitute a dispute touching the constitution, management or the business of the society.]

2026-PHHC-051539



(2) For the purpose of sub section (1), the following shall be deemed to be disputes touching the constitution, management or the business of a cooperative society, namely :-

(a) claim by the society for any debt or demand due to it from a member, or nominee, heirs or legal representatives of a deceased member, whether such debt or demand be admitted or not;

(b) a claim by a surety against the principal debtor where the society has recovered from the surety any amount in respect of any debt or demand due to it from the principal debtor as a result of the default of the principal debtor, whether such debt or demand is admitted or not;

(c) any dispute arising in connection with the election of any officer of the society.

(3) 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 co-operative society, the decision thereon of the Registrar shall be final and shall not be called in question in any court.

(4) No dispute arising in connection with the election of committee member or officer of the society shall be entertained by the Registrar unless it is referred to him within thirty days from the date of the declaration of the result of election.

Section 128 - Bar of jurisdiction of courts-

(1) Save as provided in this Act, no Civil Court, [or revenue court] shall have any jurisdiction in respect of—

(a) the registration of a co-operative society or its bye-laws or of an amendment of bye-laws;

(b) the removal of a committee;

(c) any dispute required under section 102 to be referred to the arbitration of the Registrar or any matter in which proceedings under section 104 have been initiated; or

(d) any matter concerning the winding up and dissolution of a co-operative society.



(2) While a co-operative society is being wound up, no suit or other legal proceedings relating to the business of such society shall be proceeded with or instituted against the liquidator as such or against the society or any member thereof, except by leave of the Registrar and subject to such terms as he may impose.

(3) Save as provided in this Act no order, decision or award, made under this act, shall be questioned in any court on any ground whatsoever.”

11. Section 128 expressly bars jurisdiction of Civil Courts in respect of the disputes enlisted thereunder. Section 102(1) provides arbitration as the remedy for redressal of disputes. The deemed disputes have been enlisted under Section 102(2). Admittedly, it seems that the present *lis* being related to demand raised by the Society, it would attract Sections 102 and 128. However on further scrutiny, it is evident that in the present case, the Society offered for OTS regarding existing debts. The plaintiff being a debtor availed the same and cleared the entire arrears.

12. Society admits that loan amount of Rs.52,500/- stands paid by Gurcharan Singh. No Dues Certificate, Exhibit P-1, was issued by the Society.

13. In view of aforesaid fact that there was no dispute between the Society and the loanee, this Court finds that the Society cannot be allowed to take refuge under Sections 102 and 128 of the 1984 Act. The Courts below have not committed any illegality in decreeing the suit.



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| March 10, 2026 | (Pankaj Jain) |
| Dpr | Judge |
| Whether speaking/reasoned | : Yes/No |
| Whether reportable | : Yes/No |