

Case Name:- Bank Officers' and Officials' House Building Co-operative Society Limited, Bangalore v. Assistant Registrar of Co-operative Societies, III Circle, Bangalore

Citation:- 2004 SCC OnLine Kar 498

Link:- <http://www.sconline.com/DocumentLink/8Tne003g>

Judgement:- <https://share.google/zDiGlsPDDDKbGU5ly>

Summary and Conclusion:-

The background of this case, as detailed in the High Court of Karnataka judgment, centers on a dispute over the non-allotment of a residential site by a cooperative society to one of its members.

The Core Dispute

The 2nd respondent (the member) joined the Bank Officers' and Officials' House Building Co-operative Society Limited with the intent of securing a residential plot. Between 1984 and 1987, she paid the full "sital value" (the cost of the plot), amounting to ₹42,581.

Failure to Allot and Refund Request

Despite having paid the full amount, the Society failed to allot a site to her over the following years. In February 1992, after waiting for several years, the member issued a formal notice to the Society demanding a refund of her money. The Society rejected this request.

Legal Proceedings (Section 70 Dispute)

Faced with the refusal, the member raised a formal dispute under Section 70 of the Karnataka Co-operative Societies Act, 1959, before the Assistant Registrar of Co-operative Societies.

The Arbitrator's Decision: After reviewing the evidence, the Arbitrator ruled in favor of the member, directing the Society to refund the ₹42,581 with 21% interest per annum.

4. Appeals and Modifications

The Society appealed this decision to the Karnataka Appellate Tribunal.

The Tribunal upheld the Society's liability to refund the money but modified the interest rate.

Citing a previous High Court direction and the lack of a specific agreement for 21% interest, the Tribunal reduced the interest rate to 12% per annum.

5. The Writ Petition

The Society, still aggrieved and claiming they were not liable to pay any interest (arguing there was no deficiency in service and no prior agreement for interest), filed the Writ Petition in the High Court to quash the orders of both the Arbitrator and the Tribunal. This petition led to the judgment you provided.

The High Court of Karnataka, in the case of Bank Officers' and Officials' House Building Co-operative Society Limited v. The Assistant Registrar of Co-operative Societies and Another (2004), concluded the matter by dismissing the writ petition filed by the Society.

The court upheld the orders of the lower authorities, confirming that the Society was liable to refund the deposit amount with interest to the member (the 2nd respondent).

Key Findings of the Conclusion:

Liability for Interest: The Court affirmed that when a housing society fails to allot a site despite receiving the full value from a member, it is legally obligated to refund the amount with interest.

Rate of Interest: The Court found no error in the Karnataka Appellate Tribunal's decision to modify the interest rate from 21% p.a. (originally awarded by the Arbitrator) to 12% p.a. * This 12% rate was deemed reasonable and in line with guidelines from the Reserve Bank of India (which suggested approximately 11% for long-term deposits at the time) and Supreme Court precedents regarding development authorities.

Legal Precedent: The Court relied on the "well-settled law" established by the Supreme Court in Ghaziabad Development Authority v. Balbir Singh, which stipulates that compensation/interest is a recompense for the loss or injury suffered by a member due to a deficiency in service.

Final Ruling: The Court concluded that the petitioner-Society failed to show any "muchless irregularity" or illegality in the orders passed by the Assistant Registrar or the Tribunal. Consequently, the Society's challenge was rejected, and the obligation to refund the member with 12% interest remained in force.

Case Name:- Basava Kalyan Meenugarika Sahakara Sangha v. Registrar of Co-Operative Societies

Citation:- 2016 SCC OnLine Kar 3681

Link:- <http://www.sconline.com/DocumentLink/ryfy55g9>

Judgement:- <https://share.google/FugnvVN87VSFbKdlB>

Summary and Conclusion:-

The background of this case, as detailed in the judgment from the High Court of Karnataka (Gulbarga Bench), involves a dispute between two cooperative societies regarding registration and operational jurisdiction.

The Parties

The Petitioner: Basava Kalyan Meenugarara Sahakara Sangha Niyamitha, a cooperative society of fishermen.

The Private Respondent (Respondent No. 4): Mahabalesh Pardi Meenugarara Sahakara Sangha Niyamitha, a newly registered cooperative society also consisting of fishermen.

The Core Conflict

The petitioner challenged the registration of Respondent No. 4, which had been granted by the Assistant Registrar of Co-operative Societies on November 15, 2013. The petitioner's primary grievance was that Respondent No. 4 was authorized to operate in the same business area and under the same regulations as the petitioner, effectively creating a conflict of interest or overlapping jurisdiction under the Karnataka Co-operative Societies Act, 1959.

The Procedural History

Initial Appeal: The petitioner originally filed an appeal against the registration of Respondent No. 4 before the Deputy Registrar of Co-operative Societies, Bidar.

The Interim Stay: During that appeal, the Deputy Registrar initially granted an interim stay on the registration of Respondent No. 4.

The Vacated Stay: On July 10, 2014, the Deputy Registrar passed an "impugned order" that vacated the previous stay, allowing Respondent No. 4 to continue its operations while the appeal was still being heard.

The Writ Petition

Dissatisfied with the removal of the stay, the petitioner approached the High Court. They argued that vacating the stay without reaching a final hearing rendered their appeal effectively useless, as Respondent No. 4 could continue to operate in the interim. They sought to have the High Court quash the order that vacated the stay and intervene in the ongoing registration dispute.

Based on the judgment from the High Court of Karnataka (Gulbarga Bench) in the case of Basava Kalyan Meenugarara Sahakara Sangha Niyamitha v. The Registrar of Co-operative Societies & Others, the court reached the following conclusion:

Final Order and Disposition

The Court declined to interfere with the impugned order at that stage, viewing the writ petitions as premature. The conclusion can be broken down into these key directives:

Dismissal of Interlocutory Challenge: The Court refused to quash the order dated July 10, 2014, which had vacated a previous stay. The Judge noted that this was merely an interim order and did not warrant High Court intervention while the main appeal was still pending.

Direction to the Appellate Authority: The Court directed the Deputy Registrar of Co-operative Societies, Bidar (Respondent No. 2), to hear and decide the pending statutory appeal on its merits.

Procedural Timeline: The parties were directed to appear before the Deputy Registrar on September 19, 2014.

The Deputy Registrar was mandated to pass a final reasoned order in accordance with the law within three months from the date of the judgment.

Status of the Petitions: The writ petitions were disposed of with these specific directions, effectively sending the dispute back to the appropriate administrative appellate forum for a final decision.

Core Reasoning

The Court's rationale was centered on the principle of exhausting alternative remedies. Since a regular appeal was already actively pending before the Deputy Registrar, the Court held that it was inappropriate to pronounce judgment on the rival contentions of the parties until that lower appellate authority had completed its review.