

Case Name:- C.R. Bhaskar Reddy v. Registrar of Coop. Societies

Citation:- 2025 SCC OnLine Kar 20547

Link:- <http://www.sconline.com/DocumentLink/WmG4B08m>

Judgement:- <https://share.google/9Q8EV5xY22rmG9XdY>

Summary and Conclusion:-

The background of C.R. Shankar Reddy v. Deputy Registrar of Co-operative Societies (2025) involves a legal challenge against an administrative order that threatened the Petitioner's status or property, leading to a dispute over whether the High Court should intervene when a statutory appeal is available.

Factual Background

The Parties: The case was filed by C.R. Shankar Reddy against the Deputy Registrar of Co-operative Societies (Bengaluru District-1), the Assistant Registrar, and a Primary Land Development Bank.

The Action Taken: On October 13, 2025, the Deputy Registrar issued an order and a subsequent notice (Annexure-A and Annexure-B). While the specific underlying grievance (such as a disqualification or a recovery proceeding) is not explicitly detailed in the final order, the Petitioner sought to have these actions quashed via a Writ of Certiorari.

The Legal Controversy

The primary tension in this case was procedural:-

Petitioner's Stance: Shankar Reddy approached the High Court directly, likely arguing that the Deputy Registrar's order was illegal or violated principles of natural justice, necessitating immediate constitutional intervention.

Statutory Framework: Under the Karnataka Co-operative Societies Act, 1959, specifically Section 105, orders passed by a Deputy Registrar are generally appealable before the Karnataka Appellate Tribunal (KAT).

The Question of Remedy: The court had to decide whether it was appropriate to bypass the specialized Tribunal and hear the matter in a Writ Petition, or whether the Petitioner should be required to follow the standard appellate route.

The Conflict Resolution

The Court chose a middle path. It acknowledged that the law provides a specific forum (the KAT) for such disputes. However, recognizing that the Petitioner might face immediate harm if the Deputy Registrar's order was enforced before an appeal could be filed, the Court provided a protective stay for three weeks. This allowed the Petitioner enough time to transition the case to the Tribunal without the risk of the impugned order being executed in the meantime.

The High Court of Karnataka, in the case of C.R. Shankar Reddy v. Deputy Registrar of Co-operative Societies and Others (2025), concluded the matter by providing a temporary window for the Petitioner to seek alternative legal remedies without immediately enforcing the challenged orders.

The Final Conclusion

The Court disposed of the Writ Petition with the following directions:-

Stay of Impugned Orders: The Court ordered that the impugned notice and order (dated October 13, 2025) be kept in abeyance for a period of three weeks from the date of the judgment.

Liberty to Appeal: The Petitioner was granted liberty to prefer a statutory appeal against the orders before the Karnataka Appellate Tribunal (KAT), Bengaluru, within those three weeks.

Interim Relief Application: If the Petitioner files the appeal, the KAT is directed to consider any application for interim relief and pass appropriate orders within one week from the date of filing.

Non-Interference: The Court explicitly stated it was disposing of the petition without interfering with the merits of the impugned notice or order at this stage.

Core Reasoning

The Court's decision was based on the principle of alternative remedy:

Availability of Appeal: The Court noted that the Petitioner had a statutory right to appeal the Deputy Registrar's order under Section 105 of the Karnataka Co-operative Societies Act, 1959 before the KAT.

Judicial Economy: Instead of hearing the merits of a case where an equally efficacious remedy (the Tribunal) exists, the Court preferred the Petitioner use the established appellate channel.

Protection of Rights: To ensure the Petitioner's rights weren't rendered moot before they could reach the Tribunal, the Court provided the three-week "abeyance" period to prevent the enforcement of the Deputy Registrar's order in the interim.

Case Name:- Chandan Kandelwal v. Joint Registrar of Coop. Societies

Citation:- 2025 SCC OnLine Kar 988

Link:- <http://www.sconline.com/DocumentLink/245Fjg2g>

Judgement:- <https://share.google/qnAZ13Eqn8HnUP0GC>

Summary and Conclusion:-

The background of Chandan Kandelwal v. Joint Registrar of Co-Operative Societies and Others (2025) involves a dispute over the recovery of money and the jurisdiction under which such disputes should be settled, specifically within the chit fund industry.

Factual Background

The Parties: The Petitioner (Chandan Kandelwal) was involved in a dispute with a financial entity (the 3rd Respondent).

The Conflict: The 3rd Respondent had initiated recovery proceedings against the Petitioner. This led to an order passed by the Assistant Registrar of Co-operative Societies (and Deputy Registrar of Chits) on August 16, 2022.

The Impugned Order: The Petitioner challenged this recovery order, filing a Writ Petition in the High Court of Karnataka to have it quashed (Annexure-G).

The Legal Controversy

The case hinged on whether a Writ Petition in the High Court was the correct way to challenge an order related to chit fund disputes:

Petitioner's Stance: The Petitioner likely argued that the Assistant Registrar's order was procedurally flawed or lacked jurisdiction, justifying the High Court's immediate intervention.

Statutory Provision: The Chit Funds Act, 1982, is a specialized central legislation. Section 70 of this Act provides a specific mechanism for resolving disputes touching the management or business of a chit.

Jurisdictional Conflict: The Court had to determine if the Petitioner should have first exhausted the remedies available under the Chit Funds Act (such as filing a dispute or an appeal) before approaching the High Court.

The Resolution

The Court did not rule on whether the Petitioner actually owed the money. Instead, it focused on procedural propriety. It found that because the Chit Funds Act provides a clear, "efficacious" legal path for such grievances, the Petitioner should have followed that path.

To ensure the Petitioner wasn't unfairly penalized for the time spent in the High Court, the judge granted a two-week extension of an existing stay order, giving the Petitioner enough time to file the case in the correct forum without facing immediate recovery actions.

The High Court of Karnataka, in the case of Chandan Kandelwal v. Joint Registrar of Co-Operative Societies and Others (2025), concluded the matter by dismissing the Writ Petition on the grounds of an available alternative remedy.

The Final Conclusion

The Court issued the following orders and observations:

Dismissal for Alternative Remedy: The petition was dismissed because the Petitioner has an "alternative and efficacious remedy" under Section 70 of the Chit Funds Act, 1982.

Liberty to Approach Appropriate Forum: The Petitioner was granted liberty to approach the correct legal forum in accordance with the law.

Condonation of Delay: The Court directed that if the Petitioner files an appeal/dispute before the appropriate authority, the time spent pursuing this Writ Petition before the High Court shall be considered for the purpose of condoning any delay.

Extension of Interim Order: The interim order previously passed by the Court (on September 29, 2022) was extended for a further period of two weeks from the date of the judgment to protect the Petitioner's interests while they transition to the correct forum.

No Opinion on Merits: The Court explicitly stated it expressed no opinion on the actual merits of the case; the appellate authority is free to decide the matter independently.

Disposal of Interlocutory Applications: All pending applications (specifically I.A. 2/2022) were dismissed as they did not survive following the dismissal of the main petition.

Core Reasoning

The conclusion was driven by the principle of judicial discipline regarding alternative remedies. Since the dispute fell under the specialized jurisdiction of the Chit Funds Act, 1982, the Court determined it was not appropriate to exercise its extraordinary writ jurisdiction under Article 226 of the Constitution when a specific statutory mechanism for dispute resolution already exists.