

Case Name:- B.P. Govindaraju v. Assistant Registrar of Co-operative Societies

Citation:- 2011 SCC OnLine Kar 1342

Link:- <http://www.sconline.com/DocumentLink/II5Q7K6R>

Judgement:- <https://share.google/ecBXEVDx5VuVy8UGM>

Summary and Conclusion:-

Background of B.P. Govindaraju v. Assistant Registrar of Co-operative Societies (2011)

The case stems from an internal financial and disciplinary dispute between an employee and a cooperative bank in Karnataka.

1. Allegations of Misconduct

The petitioner, B.P. Govindaraju, was an employee of the City Co-operative Bank in Hassan (the 2nd respondent). Following a financial audit or review, the bank discovered an "embezzlement of funds" (misappropriation of money).

2. Statutory Inquiry

Under Section 64 of the Karnataka Co-operative Societies Act, 1959, an official inquiry was ordered to investigate the missing funds. Once the inquiry report was submitted, the Assistant Registrar directed the bank to take follow-up action to recover the losses and address the misconduct.

3. The Impugned Communication (Annexure-B)

In January 2009, the Management of the Bank passed a resolution. Based on this, they issued a notice (referred to as Annexure-B) to the petitioner stating:

Disciplinary action would be taken against him.

He was required to pay ₹3.52 Lakhs plus interest, which was the amount allegedly misappropriated.

4. The Petitioner's Defense

The petitioner challenged this notice in the High Court, claiming:

He was not liable for the amount because he had not utilized the funds.

The demand was arbitrary and illegal because other legal proceedings (under Section 68 of the Act) were still pending.

5. Legal Conflict: The Jurisdiction Question

The primary background conflict was not just about the money, but about where the case should be heard.

The Bank argued that the High Court should not hear the case because a cooperative society is not "the State," and internal employment disputes must be settled through the Registrar of Co-operative Societies.

The Petitioner sought to have the High Court quash the bank's demand immediately through a writ petition.

In short: The background involves an employee accused of embezzlement who tried to use the High Court to stop a cooperative bank from recovering ₹3.52 Lakhs, while the bank argued that he must use the specific dispute resolution channels provided by the Co-operative Societies Act.

In the case of B.P. Govindaraju v. Assistant Registrar of Co-operative Societies and others (2011), the High Court of Karnataka reached the following conclusion:

The court rejected the writ petition on the grounds that it was not maintainable.

The Key Findings:

Improper Forum: The court ruled that a writ petition cannot be maintained against a Co-operative Society/Bank by its employee regarding an internal employment or disciplinary dispute.

Alternative Remedy: The judge noted that the law provides a specific statutory forum for such grievances. Under Section 70 of the Karnataka Co-operative Societies Act, 1959, the petitioner has the right to file a dispute before the Registrar of Co-operative Societies.

Liberty to File Freshly: While dismissing the petition, the court explicitly stated that the petitioner is free to approach the Registrar to seek legal remedies in accordance with the law.

The Issue:

Can an employee of a cooperative bank challenge a disciplinary notice and a demand for money by filing a writ petition in the High Court, or must they follow the specific dispute resolution process set out in the Co-operative Societies Act?

The Conclusion:

The High Court dismissed the case because it was filed in the wrong place. The judge explained that because the employer is a cooperative society, the employee must use the special legal process meant for cooperatives (Section 70 of the Act) instead of coming directly to the High Court. The petitioner was told he could still take his case to the Registrar of Co-operative Societies to seek justice.

Case Name:- B.R. Pundareekaksha v. Additional Registrar of Co-operative Societies (H and M)

Citation:- 2013 SCC OnLine Kar 10084

Link:- <http://www.sconline.com/DocumentLink/AQtgukk9>

Judgement:- <https://share.google/Hg8W405EF700knPNI>

Summary and Conclusion:- Background of B.R. Pundareekaksha v. Additional Registrar of Co-operative Societies (2013)

The background of this case involves a legal battle over a disqualification order that threatened the petitioner's position as a Director of a cooperative society.

1. The Disqualification

The petitioner, B.R. Pundareekaksha, served as a Director of the Managing Committee of a Co-operative Society. Following an inquiry conducted under Section 64 of the Karnataka Co-operative Societies Act, 1959, and a subsequent order under Section 68, the Joint Registrar issued an order on April 26, 2013 (Annexure-G). This order disqualified the petitioner from his post under Section 29-C of the Act.

2. The Statutory Appeal

Aggrieved by the disqualification, the petitioner filed an appeal (Appeal No. 4/2013-2014) before the Additional Registrar of Co-operative Societies. Along with the appeal, he filed an application for an interim stay essentially asking the authority to "pause" the disqualification so he could continue his duties while the appeal was being decided.

3. The Procedural Delay

Although the appeal was heard on several occasions and both sides were represented, the Additional Registrar did not pass any order on the stay application. This left the petitioner in a state of legal limbo: he was disqualified by the original order, but his request to pause that order was sitting undecided.

4. The Threat of Replacement

The situation became urgent when the Secretary of the Co-operative Society issued a meeting notice on August 16, 2013 (Annexure-L). One of the main items on the agenda for the upcoming Board of Directors meeting was to fill the vacant post of Director (the petitioner's seat) by co-option.

5. Approach to the High Court

The petitioner "rushed" to the High Court of Karnataka because he feared that if the Society filled his seat before his appeal was heard, his appeal would become infructuous (useless). Even if he eventually won the appeal, someone else would already be sitting in his chair.

In short: The background is a race against time. A disqualified Director was stuck in a slow-moving appeal process while his Society was actively trying to appoint someone else to his position. He went to the High Court to force a quick decision and protect his seat from being filled until his case was heard.

In the case of B.R. Pundareekaksha v. Additional Registrar of Co-operative Societies and Others (2013), the High Court of Karnataka reached the following conclusion:

The court disposed of the writ petition by giving specific directions to the Additional Registrar to act quickly on the petitioner's pending appeal.

Key Directions from the Court:

Expedited Hearing: The Additional Registrar was directed to decide on the petitioner's application for an interim stay as quickly as possible.

Specific Deadline: The court ordered that the stay application be considered on the next scheduled hearing date (August 31, 2013). If it could not be heard then, it must be disposed of within two weeks from that date.

Protection of Post: Crucially, the court ordered that until the appeal is disposed of, the vacancy created by the petitioner's disqualification shall not be filled up by co-option.

The Issue:

Can a director who has been disqualified from a cooperative society get an emergency pause on that disqualification while their appeal is still being processed, especially if the society is planning to replace them immediately?

The Conclusion:

The High Court did not cancel the disqualification itself, but it protected the petitioner's position temporarily. The judge ordered the lower authorities to make a fast decision on whether the disqualification should be paused. To make sure the petitioner didn't lose their spot permanently while waiting, the court ruled that the cooperative society cannot appoint anyone else to the petitioner's seat until the appeal is finished.