

Case Name: - Bahubali v. Joint Registrar of Coop. Societies

Citation: - 2025 SCC OnLine Kar 22896

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

Judgement: - <https://share.google/AoiQ1wjGLLUtQpsB0>

Summary and Conclusion: -

Bahubali v. Joint Registrar of Co-operative Societies (2025), centers on a long-standing disciplinary dispute between a bank executive and his employer that remained unresolved even after his retirement.

1. The Employment & Charges

The petitioner, Bahubali, was appointed as the Chief Executive Officer (CEO) of the Vikas Urban Co-operative Bank Ltd. on May 1, 1997. After approximately 21 years of service, he was issued a charge sheet on November 2, 2015. The primary allegations against him included:-

*Insubordination to superiors.

*Disclosing the secrecy of customer information.

*Causing "distractions" to Bank property and quarreling during work hours.

*Violation of various Banking rules.

2. Initial Dismissal & Legal Challenge

Following an internal enquiry, the Bank's management accepted a report that found the charges proved. Consequently, on June 30, 2018, the Bank dismissed Bahubali from service. Bahubali challenged this dismissal before the Joint Registrar of Co-operative Societies, who initially rejected his petition and upheld the Bank's decision.

3. The Tribunal's Intervention

Bahubali appealed to the Karnataka Appellate Tribunal. On August 24, 2023, the Tribunal ruled in his favor, setting aside the dismissal on the grounds of gross violation of the principles of natural justice (specifically, the Bank failed to provide him with a list of witnesses and documents during the enquiry). However, the Tribunal added a "liberty" clause: it allowed the Bank to conduct a de novo (fresh) enquiry against him in accordance with the law.

4. The Critical Conflict: Retirement

By the time the Tribunal issued its order in 2023, Bahubali had already attained the age of superannuation (retirement) on May 31, 2020. Bahubali approached the High Court specifically to challenge the portion of the Tribunal's order that allowed a fresh enquiry. He argued that since he was now a retired employee, the Bank no longer had the legal authority to start a new disciplinary proceeding against him, as the Service Rules did not provide for "post-retirement" enquiries.

In short: The background is a tug-of-war where a dismissed employee won a procedural victory (dismissal was illegal), but the employer tried to use a "fresh start" loophole to punish him after he had already retired.

The Karnataka High Court, in the case of Bahubali v. Joint Registrar of Co-operative Societies and Others (2025), concluded that a de novo (fresh) enquiry cannot be initiated or conducted against an employee after they have retired, unless the specific service rules of the organization explicitly permit it.

Here is a breakdown of the final judgment:

1. Quashing of the Tribunal's Order

The Court set aside the specific portion of the Karnataka Appellate Tribunal's order that gave the Vikas Urban Co-operative Bank "liberty" to conduct a fresh enquiry against the petitioner. While the Tribunal was right to set aside the original dismissal (due to violations of natural justice), it erred in allowing a new enquiry to start after the petitioner had already reached the age of superannuation (retirement).

2. Legal Reasoning

Retirement as a Bar: The Court ruled that once an employee retires, the employer-employee relationship effectively ends. Domestic enquiries are meant for active service; holding one post-retirement is impermissible unless the Service Rules specifically provide for it.

Service Rules Silence: Upon perusal, the Court found that the Bank's Service Rules did not contain any provision allowing for the continuation or initiation of disciplinary proceedings against a retired employee.

Precedent: The Court relied on Supreme Court precedents (like Anant R. Kulkarni v. Y.P. Education Society) which establish that in the absence of specific rules, a retired employee cannot be subjected to a fresh enquiry.

3. Relief Granted to the Petitioner

Petition Allowed: The Writ Petition filed by the employee (Bahubali) was successful.

Consequential Benefits: The Court ordered that the petitioner is entitled to all consequential benefits that would naturally flow from the quashing of the Tribunal's order (such as pensionary benefits or arrears that may have been withheld).

Summary of the Outcome: The Bank lost its right to prosecute the retired employee further, and the employee was cleared of the threat of a fresh enquiry, securing his post-retirement benefits.

Case Name: - Bangalore District Central Coop. Bank Ltd. v. Joint Registrar of Coop. Societies

Citation: - 2024 SCC OnLine Kar 16822

Link: - <http://www.scconline.com/DocumentLink/xg7v7Qm3>

Judgement: - <https://share.google/1QYt9FkVahJSRxsxc>

Summary and Conclusion: -

Bangalore District Central Cooperative Bank Ltd. v. Joint Registrar of Co-operative Societies (2024) involves a long-standing dispute over an employee's true age and his right to remain in service.

1. The Disputed Termination (2008)

The employee (Respondent No. 2) was terminated from his service at the Bank on June 14, 2008. This termination was based on an inquiry into his age, as the Bank believed he had reached the age of retirement much earlier than he claimed. At the time of termination, the Bank noted that his Service Book did not contain a valid entry relating to his date of birth.

2. Conflicting Dates of Birth

The entire case rests on two drastically different dates:

The Employee's Claim: He asserted his date of birth was July 10, 1953. Based on this date, he would have been eligible to continue working well beyond 2008. To support this, he produced an affidavit and an SSLC Marks Card.

The Bank's Discovery: Upon investigation, the Bank obtained a Transfer Certificate from the Government Middle School, Narasandra. When the Bank sought clarification from the Head Master, the school's records indicated his actual date of birth was July 10, 1938.

3. The 15-Year Discrepancy

The investigation revealed a massive 15-year difference. If the 1938 date was correct, the employee should have retired in the late 1990s. The Bank alleged that the documents produced by the employee (the SSLC Marks Card and other Xerox copies) were "created documents" or falsified to hide his true age and illegally extend his employment.

4. The Legal Journey

Initial Dispute: The employee first raised a dispute against his termination, which was originally rejected by the lower authority.

Tribunal Ruling (2016): The employee appealed to the Karnataka Appellate Tribunal (KAT). The Tribunal ruled in his favor, believing his claim of a 1953 birth date and ordering the Bank to restore his service with full financial benefits.

The Bank's Challenge: Aggrieved by the Tribunal's decision, the Bank filed this Writ Petition in the High Court. They argued that the Tribunal had ignored official school records and relied on "doubtful" Xerox documents that did not match the official records of the Secondary Education Examination Board.

In short: This is a case of alleged employment fraud. The Bank claimed the employee "played fraud" on the institution by falsifying his birth records to work for an extra 15 years, while the employee maintained that his 1953 birth date was legitimate.

The Karnataka High Court, in the case of Bangalore District Central Cooperative Bank Ltd. v. Joint Registrar of Co-operative Societies (2024), ruled in favor of the Bank, primarily due to evidence of fraud regarding the employee's date of birth.

Here is the detailed conclusion of the judgment:

1. Quashing of the Tribunal's Order

The Court set aside the order passed by the Karnataka Appellate Tribunal (KAT). The Tribunal had previously ruled in favor of the employee (Respondent No. 2), directing that his service be restored with all financial benefits. The High Court found the Tribunal's reliance on the documents provided by the employee to be "grossly erroneous."

2. Finding of Fraud

The core of the conclusion rests on the discrepancy in the employee's age:-

The Claim: The employee claimed his date of birth was 10.07.1953.

The Evidence: Investigations and clarifications from the Head Master of the Government Middle School revealed that school records actually indicated his date of birth was 10.07.1938.

The Implication: By claiming a later birth date, the employee had "played fraud" to extend his years of service illegally. The SSLC marks card and Transfer Certificate he provided were found to be inconsistent with official school records.

3. Forfeiture of Service Benefits

While the Court noted that the employee had already worked from 1996 to 2008 and did not order a refund of the salary already paid for that period, it ruled that: -

The employee is not entitled to any terminal or service benefits, including:

*Gratuity

*Earned Leave Encashment

*Any other retirement benefits.

*The Bank was specifically authorized to withhold these benefits as a consequence of the termination being upheld due to the serious nature of the fraud.

4. Final Disposition

The Writ Petition filed by the Bank was allowed. The original order of termination dated 14.06.2008 was effectively upheld, and the employee's attempts to claim benefits based on a fraudulent age were dismissed.

Summary: The employee lost all rights to his retirement benefits because the Court determined he had misrepresented his age by 15 years to remain in service longer than legally permitted.

Case Name: - Bangalore Horticultural Producers Marketing and Processing Coop. Society Ltd. v. Deputy Registrar of Coop. Societies

Citation: - (1989) 66 Comp Cas 707

Link: - <http://www.sconline.com/DocumentLink/Aky1dL8r>

Judgement: -

Summary and Conclusion: -

This case is a landmark decision by the Karnataka High Court regarding the applicability of the Companies Act and the jurisdiction of Civil Courts over cooperative societies.

The primary issue was whether a cooperative society could be considered a "company" under the Companies Act for the purpose of certain legal proceedings.

1. Background

The Petitioner: Bangalore Horticultural Producers Marketing and Processing Co-operative Society Ltd. (popularly known as HOPCOMS).

The Conflict: A dispute arose between the society and the Deputy Registrar of Co-operative Societies. The core of the legal argument centered on whether the society was subject to the provisions of the Companies Act, 1956, particularly regarding the winding up and management standards applicable to corporate entities.

The Legal Question: The Court had to determine if a society registered under the Karnataka Co-operative Societies Act, 1959, falls within the definition of a "company" as defined in Section 3 of the Companies Act.

2. Arguments

Society's Position: It was argued that because the society has a separate legal personality, a common seal, and perpetual succession (similar to a company), it should be treated with the same legal protections or processual requirements as a commercial company.

Registrar's Position: The Registrar maintained that cooperative societies are governed strictly by their own specific state legislation (the Co-operative Societies Act) and are distinct from companies registered under the Companies Act.

3. Conclusion and Ruling

The Karnataka High Court dismissed the petition and clarified the legal status of cooperative societies with the following points:

Distinct Legal Entities: The Court held that a Co-operative Society is NOT a "Company" as defined under the Companies Act, 1956. While both are "bodies corporate," they are governed by entirely different statutes.

Specific Statute Over General Statute: The Karnataka Co-operative Societies Act is a self-contained code. Therefore, the provisions of the Companies Act (such as those relating to winding up by a Court) cannot be invoked for a cooperative society.

Jurisdiction: The Deputy Registrar and the mechanisms provided under the Co-operative Societies Act have exclusive jurisdiction over the internal management and dissolution of the society.

Objective Difference: The Court noted that the primary objective of a company is usually profit-sharing among shareholders, whereas a cooperative society is based on the principle of mutual aid and the socio-economic upliftment of its members.

This case is frequently cited in Indian Co-operative Law to prove that the Companies Act does not apply to societies. It ensures that administrative disputes remain within the specialized cooperative tribunals rather than being dragged into the general company law courts.