

Case Name:- D. Rangaswamaiah v. Assistant Registrar of Coop. Societies

Citation:- , 2025 SCC OnLine Kar 12537

Link:- <http://www.sconline.com/DocumentLink/3iO715a4>

Judgement:- <https://share.google/FbPNRvGQNZUwTT0Zu>

Summary and Conclusion:-

The background of D. Rangaswamaiah v. Assistant Registrar of Co-operative Societies (2025) is a long-standing legal battle for the recovery of employment-related dues that had remained unpaid for nearly 17 years.

The key events leading to this petition are:

1. The Original Award (2008)

The petitioner, D. Rangaswamaiah, was involved in a legal dispute regarding his employment and salary. On September 30, 2008, the Assistant Registrar of Co-operative Societies (Respondent No. 1) passed an order (Annexure-A) in Case No. ART/01/2004-05. This order directed the employer (Respondent No. 2) to pay the petitioner:

Salary Arrears: For the period of June 21, 1993, to July 1, 2015, calculated at ₹500 per month (totaling ₹1,32,500).

Deposit Amount: A sum of ₹52,248.

Interest: Interest at the rate of 12% on the above amounts.

Ongoing Salary: A direction to pay ₹18,500 per month from December 15, 2016, onwards, along with all consequential benefits.

2. Failure to Implement

Despite the order being passed in 2008, the authorities and the cooperative society failed to make the payments. The petitioner essentially held a "paper decree"—a legal victory that was not being enforced in reality.

3. Repeated Representations (2024)

In an attempt to get his dues without further litigation, the petitioner submitted several formal representations to the authorities on:

May 20, 2024

May 23, 2024

June 4, 2024

August 13, 2024

These representations requested the Assistant Registrar to implement the 2008 order. However, the authorities remained inactive and did not pass any orders on these requests.

4. Filing of the Writ Petition

Frustrated by the delay and the lack of action, the petitioner approached the Karnataka High Court under Articles 226 and 227 of the Constitution. He sought a Writ of Mandamus to compel the Assistant Registrar to perform their legal duty and ensure the 2008 order was finally executed under the provisions of the Karnataka Co-operative Societies Act, 1959.

The case of *D. Rangaswamaiah v. Assistant Registrar of Co-operative Societies, Tumkuru and Another* (2025) concludes with the Karnataka High Court allowing the writ petition and granting a writ of mandamus to enforce a long-standing payment order.

The specific directives issued by the Court are:

Mandamus Issued: The Court directed the 1st Respondent (Assistant Registrar) to treat the petitioner's various representations (dated between May and August 2024) as an execution petition filed under Section 101 of the Karnataka Co-operative Societies Act, 1959.

Enforcement of 2008 Order: The primary goal is to implement the original order from September 30, 2008, which mandated the payment of salary arrears and interest to the petitioner.

Timeframe for Compliance: The Court ordered the authorities to proceed with these execution proceedings and conclude them within three months from the date of receiving a copy of the High Court order.

Why the Court ruled this way:

The judge noted that the petitioner had been waiting since 2008 for the implementation of his award. Since the authorities failed to act on his repeated representations, the Court determined that the most effective legal remedy was to compel the Assistant Registrar to treat those requests as formal execution proceedings to ensure the petitioner finally receives his dues.

Case Name:- D.M. Nagaraja Setty v. Registrar of Coop. Societies

Citation:- (1999) 95 Comp Cas 498

Link:- <http://www.sconline.com/DocumentLink/jz7TRb99>

Summary and Conclusion:-

The background of *D.M. Nagaraja Setty v. Registrar of Co-operative Societies* (1998) involves a dispute over employment rights following the merger of two cooperative banks.

1. The Amalgamation

The Vysya Co-operative Bank Ltd. (the "transferor bank") was placed under a moratorium in June 1981 by the Government of India due to financial problems. To protect the public interest, the Registrar formulated a scheme under Section 14B of the Karnataka Co-operative

Societies Act, 1959, to amalgamate (merge) it with the Industrial Co-operative Bank Ltd. (the "transferee bank").

2. The Employment Clauses (10 and 11)

The merger scheme included specific rules regarding the existing employees of the failing bank:

Clause 10: Stated that generally, employees of the old bank would continue in service and be deemed appointed by the new bank on the same terms.

Clause 11: Gave the new bank the right not to absorb employees who were found "not desirable" or "surplus" by a Screening Committee. This committee consisted of representatives from both banks and the Registrar's office.

3. The Appellant's Situation

D.M. Nagaraja Setty had joined the old bank as a Junior Assistant in 1976. After the merger in 1981, he was allowed to continue working temporarily, subject to the evaluation mentioned in the scheme.

However, after reviewing his service records and performance, the Screening Committee concluded that he was "not a desirable employee to be absorbed." Based on this recommendation, his services were terminated on July 31, 1985.

4. Legal Challenge

The appellant challenged his termination and the validity of the amalgamation scheme itself. His primary arguments were:

The term "not desirable" cast a stigma on his character, making the termination punitive (like a dismissal) rather than a simple discharge.

He argued that the principles of natural justice were violated because he wasn't given a proper hearing before being labeled "undesirable."

He contended that the scheme was unconstitutional as it allowed for the termination of services in an arbitrary manner.

After a single judge dismissed his initial writ petition, he filed this Writ Appeal (No. 223 of 1996), leading to this judgment

The case of D.M. Nagaraja Setty v. Registrar of Co-operative Societies and Another (1998) concludes with the Division Bench of the Karnataka High Court dismissing the appeal and upholding the termination of the appellant's services.

The court's final determination was based on several key legal findings:

1. Validity of the Amalgamation Scheme:- The Court ruled that the amalgamation scheme, formulated under Section 14B of the Karnataka Co-operative Societies Act, 1959, was constitutionally valid. It held that since the Act had received Presidential assent, it was

protected by Article 31A of the Constitution, meaning it could not be challenged for violating fundamental rights under Articles 14 or 19.

2. Nature of Termination: Refusal to Absorb vs. Dismissal

The Court rejected the argument that labeling the appellant as "not desirable" cast a stigma that converted the discharge into a "punitive dismissal."

It held that because the appellant was never a permanent employee of the new (transferee) bank, but was merely being evaluated for absorption, the bank had the right to refuse him.

The relationship of "master and servant" was never fully established with the transferee bank; therefore, the refusal to absorb him did not amount to a dismissal requiring a full-scale disciplinary inquiry.

3. Compliance with Natural Justice

The Court found that the procedure adopted using a Screening Committee was fair and reasonable.

The committee included representatives from both banks and the Registrar.

It examined the appellant's service records and performance.

Since the appellant was allowed to continue in service subject to this evaluation and the committee followed the set procedure, the principles of natural justice were sufficiently met.

4. Distinction from Precedents

The appellant relied on *K.I. Shephard v. Union of India*, but the Court distinguished that case. In *Shephard*, employees were excluded from a scheme without any hearing or committee review. In this case, a screening process was explicitly built into the scheme, and the appellant was given the opportunity to be evaluated by that committee.

Final Ruling:

The appeal was found to have no merit.

The judgment of the single judge was upheld.

The appeal was dismissed with no order as to costs.