

Case Name: - Domlur Club v. District Registrar of Coop. Societies

Citation: - 2024 SCC OnLine Kar 2311

Link: - <http://www.sconline.com/DocumentLink/zpZ45q9H>

Judgement:

https://www.sconline.com/print/J_2024_SCC_OnLine_Kar_2311_23090100380_revaeduin_20260424_091338_1_3.pdf

Summary and Conclusion: -

The background of the case Domlur Club v. District Registrar of Co-operative Societies (2024) involves an internal power struggle within the club's leadership that eventually triggered an unauthorized intervention by the District Registrar.

Here is the sequence of events leading to the litigation:

1. Internal Leadership Conflict

The dispute began with a friction between the President of the Domlur Club and its Managing Committee/Secretary.

On January 6, 2024, the President sent a letter to club members alleging that the Secretary was failing to call Managing Committee meetings at appropriate intervals as required by law.

In response, the Secretary notified the office bearers on January 8 that a meeting would be held on January 18, 2024.

2. Disagreement over the Meeting Agenda

Following the meeting notice, the President issued directions on January 11, 2024, instructing the Secretary to hold the meeting in a specific manner and include certain items on the agenda. However, the Secretary did not include the President's specific matters on the agenda for the January 18 meeting.

3. The Suspension of the President

The meeting proceeded on January 18, 2024, despite the President's objections. During this session:

The Managing Committee resolved to suspend the President of the club.

The committee cited a "lurking dispute" between the Managing Committee, the Secretary, and the President as the reason for this action.

4. Intervention by the District Registrar

The matter was brought to the District Registrar of Co-operative Societies. The Registrar issued two specific orders:

January 18, 2024: An order commenting on the club's elections and directing that no decisions be taken by the committee.

January 25, 2024: An order holding that the Managing Committee meeting held on January 18 was contrary to law and the club's bye-laws. He directed that no decisions from that meeting should be implemented.

5. Legal Challenge

The Domlur Club, represented by its General Secretary, filed a Writ Petition in the High Court of Karnataka to challenge these orders. They argued that the District Registrar had no jurisdiction to interfere with the internal deliberations and resolutions of the club's Managing Committee in this manner.

The court's conclusion can be broken down into these key points:

1. Quashing of Impugned Orders

The Court allowed the Writ Petition in part and quashed the orders passed by the District Registrar dated January 18, 2024, and January 25, 2024. These orders had essentially declared the club's Managing Committee meeting (and the resulting suspension of the President) as contrary to law and directed that no decisions from that meeting should be implemented.

2. Lack of Jurisdiction

The fundamental reason for the conclusion was that the District Registrar exceeded his statutory authority. The Court held that:

The Registrar does not have the power under the statute to entertain complaints against the internal discussions or resolutions of a Managing Committee meeting in this manner.

Directing an elected body not to take action on its own deliberations is a power not vested in the Registrar.

Consequently, the Registrar's actions were deemed "unsustainable" in the eyes of the law.

3. Liberty to Seek Other Remedies

While the Court set aside the Registrar's specific orders, it did not settle the underlying dispute between the club's President and the Managing Committee. Instead, it:

Left the parties with the liberty to pursue appropriate legal remedies (such as filing a dispute under Section 70 of the Karnataka Co-operative Societies Act or civil litigation).

Kept all contentions open for future proceedings, meaning the merits of the President's suspension were not decided by the High Court in this specific judgment.

Final Order Summary:

"The impugned order... stands quashed; and the parties to the lis are at liberty to avail of such remedy, as is available in law, qua their grievances so projected before this Court."

Case Name: - D. Somashekhsraiah v. District Registrar and Deputy Registrar of Co-Operative Societies

Citation: - 2013 SCC OnLine Kar 8737

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

Judgement: - <https://share.google/2deTwZhRPOTmPShSX>

Summary and Conclusion: -

The background of Dr. D. Somashekharaiyah & Others v. District Registrar (2013) centers on a dispute over alleged financial or administrative irregularities within the Mahalakshmi Layout Residents' Forum and the subsequent "mechanical" intervention by regulatory authorities.

Here is the breakdown of the events that led to the litigation:

1. The Parties Involved

The Petitioners: Former office bearers of the Managing Committee of the Mahalakshmi Layout Residents' Forum, who served from February 2006 to September 2009.

The Private Respondents (4 to 7): Members of the society who were dissatisfied with the previous administration.

The Authorities: The District Registrar (Respondent 1) and the Assistant Registrar (Respondent 2) of Co-operative Societies.

2. The Original Complaint

In 2012, Respondents 4 through 7 lodged a complaint with the District Registrar alleging that the former Managing Committee (the petitioners) had caused a financial loss to the society. They requested an official inquiry into the constitution, working, and financial condition of the forum.

3. The Procedural Lapse

Upon receiving the complaint from only four members, the District Registrar did not independently assess whether an inquiry was warranted. Instead, he simply forwarded the complaint to the Assistant Registrar on December 10, 2012, with a direction to conduct an inquiry and submit a report.

4. The Resulting Inquiry and Order

The Assistant Registrar (Respondent 2) conducted an inquiry and submitted a report (Annexure-D) on May 15, 2012, which appeared to indict the petitioners for certain lapses or losses.

Based on this report, the District Registrar passed a final order on May 16, 2012 (Annexure-F), seeking to rectify errors and hold the petitioners accountable for the alleged losses.

5. Legal Conflict over Section 25

The petitioners challenged these actions in the High Court. The core of their argument was that under the Karnataka Societies Registration Act, 1960, an inquiry cannot be triggered by just a handful of members.

They argued that since the four complainants did not constitute one-third of the society's total membership, the Registrar had no legal authority to act on their request alone.

They contended that the Registrar failed to apply his own mind to the facts, essentially treating a minority complaint as a valid legal trigger for a state-led inquiry.

This led the High Court to examine whether the Registrar had acted on his "own motion" or had simply followed an illegal request, forming the basis for the eventual quashing of the orders.

The specific conclusions of the Court are as follows:

1. Quashing of the Inquiry and Order

The Court allowed the writ petitions and quashed two key documents:

The Inquiry Report (Annexure-D) submitted by the Assistant Registrar (Respondent No. 2).

The Final Order (Annexure-F) passed by the District Registrar (Respondent No. 1) based on that report.

2. Failure to Satisfy Section 25(1)

The Court found that under Section 25(1) of the Act, an inquiry can only be initiated under three specific circumstances:

- On the Registrar's own motion.
- On the request of the majority of the governing body members.
- On the request of at least one-third of the total members of the society.

The Court concluded that since the complaint was made by only four members (Respondents 4 to 7), it did not meet the "one-third" membership requirement. Furthermore, the District Registrar had not passed an independent order to initiate the inquiry on his "own motion" but had instead acted "mechanically" by simply forwarding a minority complaint.

3. Procedural Illegality

Because the jurisdictional prerequisite (the valid initiation of the inquiry) was not met, the Court held that the entire proceeding was wholly illegal and could not be sustained. The Court also rejected the argument of "estoppel," noting that the petitioners had challenged the jurisdiction of the inquiry officer from the beginning.

4. Liberty to Re-initiate

While the current orders were quashed, the Court left a window for future action. It stated that it remains open to the Registrar to initiate and hold an inquiry on his "own motions" in the future, provided the situation truly calls for it and the legal procedure is followed correctly.

Final Ruling Summary:

"The writ petitions are allowed and the report of the 2nd respondent... and the order of the 1st respondent... are quashed. However, it is open to the Registrar to initiate and hold an inquiry on 'his own motions', if the situation calls for."