

**Case Name:-** D. Veeranna v. Assistant Registrar of Co-operative Societies

**Citation:-** 2007 SCC OnLine Kar 508

**Link:-** <http://www.sconline.com/DocumentLink/9q3Q0wnj>

**Judgement:-** <https://share.google/pF7Jt2MqvbcdkUax2>

### **Summary and Conclusion:-**

#### **Background of the Case**

The petitioner, D. Veeranna, was employed as a 'Secretary' at the Halenahalli Service Co-operative Society Limited starting in 1973. Following a reorganization and amalgamation of societies in 1976, he continued his service in the newly formed entity and was later transferred to V.S.S.S.N., Doddabanageri.

#### **The Core Dispute:**

In 1987, the General Body of the respondent Society passed a resolution to increase the petitioner's pay scale (from a lower grade to Rs. 1190-2200). While a proposal for this enhancement was sent to the Deputy Registrar of Co-operative Societies for approval as required under Rule 17(1) of the Karnataka Co-operative Societies Rules, 1960, the Department took no action and the proposal remained pending.

Despite the lack of official approval from the competent authority, the Society permitted the petitioner to draw the higher salary. Years later, during an inspection under Section 65 of the Karnataka Co-operative Societies Act, it was discovered that the petitioner had withdrawn an "excess salary" totaling Rs. 44,001.10.

#### **Legal Journey**

**Surcharge Proceedings:** The Assistant Registrar initiated surcharge proceedings under Section 69 and ordered the recovery of the excess amount with 16% interest per annum.

**Appellate Tribunal:** The petitioner challenged this before the Karnataka Appellate Tribunal, which dismissed the appeal, upholding that the salary hike was illegal without the Deputy Registrar's express approval.

**Writ Petition:** The petitioner then approached the High Court of Karnataka (Writ Petition No. 25522 of 2001) seeking to quash the recovery orders.

#### **Conclusion of the Court**

The High Court, presided over by Justice N.K. Patil, dismissed the writ petition and upheld the recovery of the excess salary.

#### **Key Findings:**

**Mandatory Approval:** The Court emphasized that under Rule 17(1), any enhancement of pay scales or cadre strength requires the prior approval of the competent authority (the Deputy Registrar). A resolution by the Society's General Body alone is not legally binding without this sanction.

**Unauthorized Gain:** Since the proposal was never approved, the petitioner's act of drawing the enhanced salary was deemed unauthorized.

**No Documentary Evidence:** The petitioner failed to produce any evidence showing that the government or the registrar had sanctioned the pay hike.

**Final Ruling:** The Court found no "error or illegality" in the orders passed by the lower authorities. It ruled that the recovery proceedings were justified, and the writ petition was dismissed as being devoid of merits.