



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 19TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO. 1241 OF 2022 (GM-CON)

BETWEEN:

1. THE LIQUIDATOR,
THE SOUTH KANARA AGRICULTURISTS
CO OPERATIVE MARKETING SOCIETY LTD
BY SUDHEER KUMAR J
THE ASSISTANT REGISTRAR OF
COOPERATIVE SOCIETIES
4TH FLOOR, SCDCC BANK BUILDING
KODIALBAIL MANGALORE - 575 001.

...PETITIONER

(BY SRI. RAKSHITH KUMAR.,ADVOCATE)

AND:

1. SMT. ARUNA B BHAT
W/O M BALAKRISHNA BHAT
40 YEARS
R/AT CHANDRALEKHA BATRAKODI ROAD
PEDAMALE POST
NEERMARGA VILLAGE
MANGALORE
D.K.DISTRICT - 575 028.

...RESPONDENT

(BY SRI. JEEVAN K.,ADVOCATE)

THIS W.P. IS FILED PRAYING TO-SET ASIDE THE ORDER
DTD 16.11.2021 IN EXECUTION APPLICATION NO.16/2017
PENDING BEFORE DAKSHINA KANNADA DISTRICT CONSUMER
DISPUTES REDRESSAL FORUM, MANGALORE VIDE ANNEX-D

Digitally
signed by
SUMA B N
Location:
HIGH
COURT OF
KARNATAKA



FILED BY THE RESPONDENT AGAINST THE PETITIONER AND THEREBY QUASHING THE ENTIRE PROCEEDINGS IN EXECUTION APPLICATION NO.16/2017 ETC.,

THIS PETITION, COMING ON FOR FINAL HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

Petitioner is a liquidator appointed by the Government under the provisions of the Karnataka Co-operative Societies Act, 1959 (Act, 1959 for short) with an assignment of conducting of liquidation process of South Kanara Agriculturist's Co-operative Marketing Society Ltd.

2. Respondent herein claiming to be the constituent of the said cooperative society claimed to have deposited certain money in the said Society. Since the Society went into liquidation on account of the mismanagement, respondent approached the jurisdictional Consumer Forum seeking redressal of her grievance under Section 12 of the Consumer Protection Act, 2019 which was registered as CC No. 224/2016. By order dated 31.08.2016, District Consumer Forum directed the Society to refund ₹3,58,000/- to the respondent with interest at the rate of 11.5% from the date of deposit till



payment. Though petitioner/liquidator herein was a party, proceeding against him was dismissed. Respondent herein thereafter filed execution application seeking assistance of the District Consumer Forum. Since the warrant of arrest in the said execution proceedings has been issued against the petitioner, constraining the petitioner to approach this Court earlier by filing writ petition in W.P.No.48064/2018, which was disposed of vide Order dated 11.03.2019, reserving liberty to the petitioner to file statement of objection before the District Consumer Forum within 2 weeks.

3. That petitioner had filed the statement of objection raising very maintainability of the execution proceedings in the light of mandatory provisions contained under Sections 118(2) of the Act, 1959 which prohibits initiating or continuing any proceedings in respect of a Co-Operative Society which is under liquidation, without prior sanction of the Government. The District Consumer Forum however rejected the said objection by the impugned order. Being aggrieved by the same, present petition.



4. Learned counsel for the petitioner submitted that the District Consumer Forum, which seized of the matter has grossly erred in not taking into consideration provisions contained in Section 118 of the Act, 1959 which strictly prohibits any proceedings in respect of any matter concerning winding up and dissolution of a Co-operative Society. That the very fact the petitioner has been appointed as a liquidator would only mean without anything further that the said Society is under liquidation. The District Consumer Forum therefore ought not to have proceeded further and passed the impugned order. Hence, seeks for allowing of the petition.

5. Per contra, learned counsel appearing for the respondent submits that the respondent is a depositor in the Society which is under liquidation to whose credit sum of ₹3,58,000/- was to be paid. Since the Society is under liquidation, and the respondent was not in a position to withdraw her money, she filed a complaint with District Consumer Forum making Society and the liquidator as a party which resulted in passing of the award by the Consumer Court directing the Society represented by liquidator to pay the amount of ₹3,58,000/-. Non-payment of said amount has



constrained the respondent to initiate the execution proceedings.

6. Since the petitioner is the liquidator in-charge of the affairs of the Society, he is bound to honour the order passed by the District Consumer Forum. Section 118 of the Act, 1959 is of no avail to the petitioner as this Court had earlier declined the said ground urged by the petitioner while directing him to file the statement of objection. Therefore, the contention raised by the petitioner herein with regard to non-maintainability of the execution proceedings in the light of Section 118 of the Act, 1959 is of no consequence. Hence, seeks for rejection of the petition.

7. Heard. Perused the records.

8. Section 118 of the Karnataka Co-operative Societies Act, 1959 read as under;

"118. Bar of jurisdiction of Courts.-(1) Save as provided in this Act, no Civil, Labour or Revenue Court or Industrial Tribunal] shall have any jurisdiction in respect of, -

(a) the registration of a co-operative society or bye-laws or of an amendment of a bye-law;



(b) the removal of a member or the removal and disqualification of a director or the removal of a board;

(c) any surcharge application required under Section 69 or any dispute required under Section 70 to be referred to the Registrar or the recovery of moneys under Section 100 or the execution of any award or order referred to the Registrar for execution under Section 101.]

(d) any matter concerning the winding up and the dissolution of a co-operative society.

(2) While a co-operative society is being wound up, no suit or other legal proceedings relating to the business of such society shall be proceeded with, or instituted against, the Liquidator as such or against the society or any member thereof, except by leave of the Registrar and subject to such terms as he may impose.

(3) Save as provided in this Act, no order, decision or award made under this Act shall be questioned in any Court on any ground whatsoever."

9. Thus, sub-Section (2) of Section 118 of the Act, 1959 explicitly bars institution of any suit, other legal proceedings relating to the business of such Society without leave of the Registrar. The statutory bar contained under Section 118 of the Act, 1959 cannot be brushed aside unless sufficient ground in that regard were made out. In the instant case, petitioner is a liquidator and the Society from whom the respondent claiming withdrawal of the money is under liquidation process. Petitioner/liquidator cannot be compelled to make the payment, merely because the respondent has sought for refund of her money particularly when the Society is under



liquidation. The express bar contained under sub-Section (2) of Section 118 of the Act, 1959 cannot be ignored as it has a purpose to achieve. Mere non-filing of the statement of objection by the petitioner as directed by this Court in its earlier order passed in W.P.No.48064/2018, cannot be a ground not to consider the case of the petitioner/ liquidator as it is statutory bar and there cannot be any concession to the same.

10. However, proceeding against the petitioner/liquidator could be initiated only by the leave of the Registrar, subject to such terms and conditions as may be imposed. No such leave seemed to have been obtained by the respondent before proceeding to file a complaint under Section 12 of the Consumer Protection Act. The District Consumer Forum, as rightly pointed out by learned counsel for the petitioner has lost sight of this statutory embargo placed on other forums to entertain the complaint when the society is under liquidation.

11. The Co-ordinate Bench of this Court under identical situation in the case of **MANJUNATH SINGH VS. MRS. TILAK**



B ALIAS TILAKA S. RAI passed in W.P.No.51726/2016 dated 08.09.2025 has quashed the proceedings pending before Dakshina Kannada District Consumer Dispute Redressal as the Society concerned was under liquidation. The said order squarely applies to the facts of the present case. Accordingly, petition is ***disposed of***. The order dated 16.11.2021 in Execution Application No.16/2017 pending before the Dakshina Kannada District Consumer Disputes Redressal Forum, Mangalore as per Annexure-D is quashed. However, it is open for the respondent to seek necessary permission from the Registrar as provided under Section 118(2) of the Act, 1959 and proceed in accordance with law.

SD/-
(M.G.S. KAMAL)
JUDGE