



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF APRIL, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT APPEAL NO. 1243 OF 2026 (CS-RES)

BETWEEN:

1. SRI SURESHA
S/O LATE K.S. ANNEGOWDA
AGED ABOUT 59 YEARS
DIRECTOR OF PRIMARY AGRICULTURE
CREDIT CO-OPERATIVE SOCIETY LTD.
(NOW UNDER DISQUALIFICATION)
KIKKERI VILLAGE AND HOBLI
K.R. PETE TALUK
MANDYA DISTRICT - 571 423

...APPELLANT

(BY SRI M.R. RAJAGOPAL, SENIOR ADVOCATE A/W
SRI ANAND P, ADVOCATE)

AND:

1. THE DEPUTY REGISTRAR OF
CO-OPERATIVE SOCIETIES
MANDYA DISTRICT
SUBHASH NAGAR, 1ST CROSS
MANDYA - 573 201
2. THE ASSISTANT REGISTRAR
OF CO-OPERATIVE SOCIETIES
PANDAVAPURA SUB-DIVISION
PANDAVAPURA TOWN AND TALUK
MANDYA DISTRICT - 571 434



3. THE CHIEF EXECUTIVE OFFICER
PRIMARY AGRICULTURE CREDIT
CO-OPERATIVE SOCIETY LTD., KIKKERI
KIKKERI VILLAGE AND HOBLI
K.R. PETE TALUK
MANDYA DISTRICT - 571 423
REPTED BY ITS CHIEF EXECUTIVE OFFICER

...RESPONDENTS

(SRI K.S. HARISH, GOVERNMENT ADVOCATE FOR R-1 & 2)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO ALLOW THE WRIT APPEAL AND SET ASIDE THE ORDER DATED 03/03/2026 PASSED IN W.P NO.20351/2022 (CS-RES) BY THE LEARNED SINGLE JUDGE OF THIS HON'BLE COURT & ETC.

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. For the reasons stated in the application – I.A No.1/2026, the same is allowed. The delay of 5 days in filing the appeal is condoned.
2. The appellant has filed present appeal impugning an order dated 03.03.2026 passed by the learned Single Judge in Writ Petition Nos.20351-20352 of 2022 (CS-RES).



3. The present appeal arises from the impugned order insofar as it relates to Writ Petition No.20351/2022 (CS-RES). The appellant had filed the said writ petition impugning an order dated 27.09.2022 passed by respondent No.1 [**Deputy Registrar**] rejecting the appeal preferred by the appellant against the order dated 14.03.2022 passed by respondent No.2 [**Assistant Registrar**]. By the said order dated 14.03.2022, the Assistant Registrar had disqualified the appellant from holding the office of a Director of Primary Agriculture Credit Co-operative Society Limited [**the Society**] for a period of five years in terms of Section 29-C of the Karnataka Co-operative Societies Act, 1959 [**KCS Act**].

4. The learned Single Judge found no fault with the Assistant Registrar's order disqualifying the appellant, and the Deputy Registrar's rejection of the appellant's appeal against the said order.

5. The material facts are not disputed. The appellant is a member of the Society and was elected as a Director for a period of five years from 20.01.2020 to 19.01.2025. Prior to his appointment as a Director, he had taken a business loan of ₹3,00,000/- on 24.10.2019 from the Society. The said loan was to



be repaid within a period of twelve months along with interest at the rate of 14% per annum.

6. Admittedly, the appellant defaulted in repaying the loan within the stipulated period. Consequently, on 31.08.2021, the Chief Executive Officer [**CEO**] of the Society [respondent No.3] furnished a report to the Assistant Registrar, *inter alia*, reporting that the appellant had incurred disqualification under Section 29-C(1)(a) of the KCS Act.

7. In view of the above, the Assistant Registrar issued a show cause notice dated 02.09.2021 calling upon the appellant to show cause why he should not be disqualified from the post of the Director of the Society, as he was a defaulter. The appellant had placed a copy of the show case notice on record. The said notice indicates that the appellant was called upon to submit an explanation, if any, along with the supporting documents to the Assistant Registrar. The appellant was also afforded an opportunity to be heard, scheduled for 27.09.2021 at 11.00 a.m.

8. The appellant appeared before the Assistant Registrar on 27.09.2021. The appellant has stated in his writ petition that on the



said date, the Assistant Registrar recorded his statement, that of the CEO, and also exhibited documents. The matter was thereafter listed for the pronouncement of orders.

9. The Assistant Registrar passed an order dated 14.03.2022 disqualifying the appellant from holding office on the Board of the Society for a period of five years. The said order also records that the appellant failed to pay the amount due, despite being informed by the Society's CEO.

10. The appellant had, in the meantime, after the issuance of the show cause notice dated 02.09.2021, repaid the loan amount and interest aggregating to ₹3,78,000/- on 04.09.2021.

11. The appellant appealed the order dated 14.03.2022 before the Deputy Registrar. Before the Deputy Registrar, the appellant contended that time period for repaying the loan had been extended by the Government. He sought to contend that there was no default on his part for repaying the loan at the material time. The Deputy Registrar did not accept the said contention as no such government orders were furnished or referred to. As noted above, the Deputy Registrar rejected the appeal by an order dated



27.09.2022 and upheld the order of the Assistant Registrar disqualifying the appellant for a period of five years.

12. The appellant filed a writ petition challenging the orders passed by the Assistant Registrar disqualifying him and the appeal order rejecting his appeal (Writ Petition No.20351/2022). The learned Single Judge dismissed the said petition by the impugned order as the court found no ground to interfere with the said orders.

13. Mr.M.R.Rajagopal, learned Senior Counsel appearing for the appellant, contended that the disqualification of the appellant for a period of five years had since expired and, therefore, he was eligible to continue as the office bearer of the Society for the next term from 20.01.2025 to 19.01.2030. He submitted that the controversy in the present appeal could be put to rest by directing that the appellant was not disqualified to hold the post of a Director or President of the Society for the said term. Additionally, he submitted that since the appellant had deposited the amount, he could not be considered as a defaulter.

14. The learned Senior Counsel submitted that there was yet another larger question which warranted consideration and an



authoritative decision from this court. He referred to the proviso to Sub-section (8) of Section 29-C of the KCS Act and submitted that no order disqualifying the appellant could be passed without providing a reasonable opportunity of being heard to the appellant. He contended that no notice had been issued calling upon him to pay the amount. Therefore, the appellant could not be disqualified.

15. Before proceeding further, we may refer to Section 29-C of the KCS Act. Clause (a) of Sub-section (1) of Section 29-C and Sub-section (8) of Section 29-C of the KSC Act are reproduced below:

“29-C. Disqualification for membership of the board.—(1) No person shall be eligible for being elected or appointed or continued as a member of the board of any co-operative society, if.—

(a) he is in default to that society or any other co-operative society or Souhardha Co-operative in respect of any dues from him as borrower;

(8) If any member of a board of a co-operative society during the term of his office,—

(a) becomes subject to any disqualifications specified in sub-sections (1), (2) and (5); or

(b) has acted or has been acting fraudulently or with gross negligence or in contravention of the provisions of this Act, the rules or the bye-laws of the co-operative society or without the sanction of the board of the co-operative society where such sanction is necessary or



contrary to the resolution of the co-operative society or its board or in any way prejudicial to the interest of the co-operative society; or

(c) has acted or has been acting persistently against the directions or orders issued under this Act, rules or by-laws; or

(d) is not discharging his duties satisfactorily;

the Registrar may either on a report made to him or otherwise, by order remove such member, and in cases falling under clauses (a), (b), (c) and (d) of this subsection disqualify him from holding any office in the co-operative society for such period not exceeding five years, as may be specified in such order:

Provided that no order shall be made under this subsection unless a reasonable opportunity of being heard, is given to the person against whom the order is to be made."

16. There is no ambiguity in the language of Section 29-C(1)(a) of the KCS Act, and as noted above, there is no dispute regarding the material facts. It is apparent from the facts set out above that (i) the appellant had defaulted in repayment of his dues to the Society while holding the office as a Director; (ii) the CEO of the Society had submitted a report dated 31.08.2021 to the Assistant Registrar regarding the appellant incurring his disqualification; (iii) thereafter, a show cause notice was issued on 02.09.2021 by the Assistant Registrar; (iv) the appellant was granted an opportunity to furnish his explanation; (v) the appellant was heard;



and (vi) since there was no dispute that the appellant had defaulted, he was disqualified for a period of five years.

17. The submissions that the appellant was not given an opportunity to be heard run contrary to the averments made in the writ petition. The appellant was also fully aware that he had defaulted in repayment of the loan. In his appeal before the Deputy Registrar, the appellant stated that he had faced financial difficulties due to heavy medical expenses and was thus, unable to repay the loan instalments in time. He claimed that he had informed the CEO of his intention to repay the loan in instalments. There is no averment that the appellant was not informed of the default to make good the default. There are no averments regarding the due dates of the instalments, which would indicate the date of the default. There are also no averments to the effect that the appellant was not issued any notice of default. Thus, the contention that the appellant was not granted any opportunity to repay the loan is without any foundation in the pleadings.

18. In the given facts, we find no ground to interfere with the impugned order and the appeal is, accordingly, dismissed.



19. The pending interlocutory application also stands disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**

AHB
List No.: 2 SI No.: 25