HC-KAR

NC: 2026:KHC:16788
WP No. 39406 of 2025

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 24TH DAY OF MARCH, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE E.S.INDIRESH**

**WRIT PETITION NO.39406 OF 2025 (CS-RES)**

**BETWEEN:**

1. SMT. NAGARATHNA @ NAGARATHNAMMA
W/O SRI M PILLAPPA,
AGED ABOUT 58 YEARS,
R/AT ARADESHAHALLI VILLAGE,
KUNDANA HOBLI,
DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT - 562110.

...PETITIONER

(BY SRI. SATISH K., ADVOCATE)

**AND:**

1. STATE OF KARNATAKA
DEPARTMENT OF CO-OPERATIVE SOCIETY,
M.S.BUILDING,
DR. AMBEDKAR VEEDI,
BENGALURU - 560001
REPRESENTED BY ITS SECRETARY.

2. THE ASSISTANT REGISTRAR OF CO-OPERATIVE SOCIETIES,
DODDABALLAPURA SUB-DIVISION,
DODDABALLAPURA - 561203.

3. ARADESHAHALLI VYAVASAYA SEVA SAHAKARA SANGA NIYIMITHA

Digitally signed by CHAYA S A
Location: HIGH COURT OF KARNATAKA

ARADESHAHALLI,
KUNDANA HOBLI,
DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT - 562110.
REPRESENTED BY ITS SECRETARY
REGISTERED UNDER CO-OPERATIVE
SOCIETY REGISTRATION ACT, 1959.

4. SRI. M. PILLAPPA
S/O MUNISHAMAPPA
AGED ABOUT 68 YEARS,
RESIDING AT ARADESHAHALLI VILLAGE,
KUNDANA HOBLI,
DEVANAHALLI TALUK,
BENGALURU RURAL DISTRICT - 562110.

…RESPONDENTS

(BY SRI. YOGESH D. NAIK, AGA FOR R1 & R2;
SRI. NATARAJ BABA K., ADVOCATE FOR R3;
R4 SERVED AND UNREPRESENTED)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER DATED 27.05.2025 PASSED BY THE RESPONDENT NO.2 PASSED IN CASE NO. DAVA NO.SANI47/05/2017-18 (PRODUCED AS ANNX-P); AND ETC.

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

CORAM: HON'BLE MR. JUSTICE E.S.INDIRESH

## ORAL ORDER

The petitioner, in this writ petition, calling in question the order dated 27.05.2025 (Annexure–P) passed by respondent No.2. The petitioner, inter alia,

seeks a declaration that the schedule property belonging to her cannot be made the subject matter of the proceedings culminating in Annexure–P. Being aggrieved the same, the petitioner has approached this Court.

2. Heard Sri Satish K., learned counsel for the petitioner; Sri. Yogesh D. Naik, learned Additional Government Advocate appearing for the respondent-Stae and Sri. Nataraja Baba K., learned counsel appearing for respondent No.3.

3. The relevant facts, as averred in the writ petition, are that the petitioner had purchased land bearing Sy. No.13 measuring 9 acres 13 guntas, including 1 acre of 'A' karab and 2 acres 23 guntas of 'B' karab land, in all measuring 12 acres 36 guntas, situated at Balareddyhalli, Manchenahalli Hobli, Manchenahalli Taluk (earlier Gouribidanur Taluk), under a registered Sale Deed dated 24.08.2007 (Annexure–A). It is stated that the petitioner is in lawful cultivation of

the said land and that the revenue records stand in her name.

4. It is further stated that the petitioner had availed loan from respondent No.3-Society by mortgaging the aforesaid property, as per Annexures–C and D, respectively. Subsequently, respondent No.3 executed registered Discharge Deeds dated 13.07.2014 in favour of the petitioner, as per Annexures–E and F, respectively. It is also stated that in respect of the subject land, O.S. No.56/2008 was filed, and thereafter, a consent deed dated 18.09.2020 came to be executed confirming the Sale Deed dated 24.08.2007 in favour of the petitioner (Annexure-G).

5. It is further pleaded that the husband of the petitioner, Sri. Pillappa M., (arrayed as respondent No.4 herein), was working as Secretary in respondent No.3–Society and attained superannuation on 31.12.2017. Thereafter, respondent No.3-Society had initiated

proceedings against respondent No.4 alleging misappropriation of funds to the tune of Rs.73,77,873/- and accordingly, filed a dispute before respondent No.2 (Annexure–H).

6. The case of the petitioner is that respondent No.3-Society filed an application before respondent No.2 seeking to implead the petitioner herein in the said proceedings. The petitioner had filed objections (Annexure–L), contending that the application under Section 70 of the Karnataka Co-operative Societies Act, 1959 (for short, "the Act") is not maintainable against her, however, respondent No.2 proceeded with the matter by impleading the petitioner along with her husband. Thereafter, respondent No.2, by order dated 27.05.2025 (Annexure–P), allowed the dispute filed by respondent No.3–Society to continue against petitioner and further directed that the properties belonging to the petitioner as well as respondent No.4 be brought to sale

for recovery of the amount claimed in dispute. Aggrieved by the same, the petitioner has filed this writ petition.

7. Sri. Satish K., learned counsel for the petitioner, contended that the property covered under Annexure–A is the self-acquired property of the petitioner and that respondent No.3-Society has no authority in law to initiate proceedings against her in respect of allegations made against her husband. He further submitted that the impugned order suffers from lack of jurisdiction and in absence of locus standi insofar as the petitioner is concerned. Placing reliance on the judgments of the Division Bench of this Court in W.A. No.274 of 2012 connected with W.A. No.3444 of 2013 dated 28.06.2013 and W.A. No.100 of 2023 dated 24.01.2023, he contended that proceedings under Section 70 of the Act must be confined to disputes between the society and its employees, past employees,

or their legal representatives, and cannot be extended to third parties. Accordingly, he sought for interference of this court.

8. Per contra, Sri. Nataraj Baba K., learned counsel for respondent No.3, submitted that recovery proceedings have been initiated against respondent No.4 to the extent of Rs.1,48,50,813/- and, considering the magnitude of loss caused to the Society, the petitioner has been rightly impleaded in the proceedings. He therefore, sought to justify the impugned order passed by respondent No.2.

9. Sri. Yogesh D. Naik, learned Additional Government Advocate appearing for the respondent-State also supported the impugned order passed by the respondent No.2.

10. Having heard the learned counsel for the parties and upon careful consideration of the material on

record, it is not in dispute that the petitioner purchased the schedule property under the registered Sale Deed dated 24.08.2007 (Annexure–A) from Sri. B.C. Narasimha Reddy and his family members. It is also not in dispute that respondent No.4 retired from service on 31.12.2017 and that the proceedings under Section 70 of the Act were initiated against him thereafter.

11. The allegation against respondent No.4 pertains to misappropriation of funds during the year 2017. However, the petitioner had acquired the schedule property much earlier, i.e., in the year 2007. In such circumstances, respondent No.2 ought not to have impleaded the petitioner in the proceedings, nor could it have passed the impugned order affecting the property belonging to the petitioner.

12. Following the law laid down by the Division Bench of this Court in the above referred cases, and having regard to the fact that the property in question is

the self-acquired property of the petitioner, Section 14 of the Hindu Succession Act, 1956 comes into operation. Accordingly, such property cannot be subjected to attachment or recovery proceedings in a dispute to which the petitioner is not a party.

13. In that view of the matter, this Court finds merit in the submissions made by the learned counsel for the petitioner. Hence, the following:

**ORDER**

(i) The writ petition is allowed.

(ii) The order dated 27.05.2025 (Annexure–P) passed by respondent No.2 is hereby quashed insofar as it relates to the petitioner.

(iii) It is made clear that the petitioner is a third party to the proceedings initiated by the respondent No.2. The respondent-authorities are directed to delete the schedule property

belonging to the petitioner from all recovery, attachment, and execution proceedings initiated against respondent No.4 in the pending disputes referred to above.

**Sd/-**
**(E.S.INDIRESH)**
**JUDGE**

SB:List No.: 1 Sl No.: 70