RESERVED ON 28TH OCTOBER 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF OCTOBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 607 OF 2026 (CS-EL/M)

BETWEEN:

1. KURUBURU RESHME BELEGARARA HAAGU RAITHARA
   SEVA SAHAKARA SANGHA NIYAMITHA
   KURUBURU
   CHINTAMANI TALUK
   CHIKKABALLAPURA DISTRICT
   REPRESENTED BY ITS DELEGATE/PRESIDENT
   VENKATAREDDY M
   S/O MUNISHAMAPPA
   AGE 77 YEARS

…APPELLANT

(BY SRI JAYAKUMAR S. PATIL, SENIOR ADVOCATE A/W
SRI DEVIPRASAD SHETTY, ADVOCATE)

Digitally signed by AMBIKA H B
Location: High Court of Karnataka

AND:

1. THE STATE OF KARNATAKA
   DEPARTMENT OF CO-OPERATION
   M.S BUILDING
   DR. B.R. AMBEDKAR VEEDHI
   BENGALURU - 560 001
   REPRESENTED BY ITS
   PRINCIPAL SECRETARY

2. THE STATE CO-OPERATIVE
   ELECTION AUTHORITY
   3RD FLOOR, T.T.M.C. 'A' BLOCK
   SHANTHI NAGAR, BANGALORE - 560 027
   REPRESENTED BY ITS SECRETARY

3. DEPUTY COMMISSIONER/ ELECTION OFFICER
KOLAR DISTRICT
KOLAR - 563 101

4. RETURNING OFFICER
KOLAR-CHIKKABALLAPUR DCC BANK LTD.
DCC BANK ROAD
KOLAR - 563 101

5. KOLAR-CHIKKABALLAPUR DCC BANK LTD.
DCC BANK ROAD
KOLAR - 563 101
REPRESENTED BY ITS
CHIEF EXECUTIVE OFFICER
(SOCIETY REGISTERED UNDER KARNATAKA
CO-OPERATIVE SOCIETIES ACT, 1959)

6. KOLAR-CHIKKABALLAPUR DCC BANK LTD.
CHINTAMANI BRANCH
OPP. TO POST OFFICE
CHINTAMANI
CHIKKABALLAPURA DISTRICT - 563 125
REPRESENTED BY ITS MANAGER
(SOCIETY REGISTERED UNDER KARNATAKA
CO-OPERATIVE SOCIETIES ACT, 1959)

7. SRI N. NAGIREDDY
S/O T. NAREPPA
AGED ABOUT 60 YEARS
R/O DIRECTOR
KALLAHALLI SFSCS
CHINATAMANI TALUK
CHIKKABALLPAURA DISTRICT - 563 125

…RESPONDENTS

(SMT. PRATHIMA HONNAPURA, AAG
A/W SMT. NAVYA SHEKAR, AGA FOR R-1 & 3;
SRI A. DEVARAJA, ADVOCATE FOR R-2 &
SRI P.N. MANMOHAN, ADVOCATE FOR
SRI SUMUKHA C.G., ADVOCATE FOR C/R-7)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 25/09/2025 PASSED IN W.P. NO.14706/2025 BY THE LEARNED SINGLE JUDGE OF THIS HON'BLE COURT & ETC.

THIS WRIT APPEAL HAVING BEEN HEARD AND RESERVED FOR JUDGMENT, COMING ON FOR PRONOUNCEMENT THIS DAY, JUDGMENT WAS PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

CAV 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 115 days in filing the appeal is condoned.

2. The appellant, a primary agricultural credit co-operative society registered under the Karnataka Co-operative Societies Act, 1959 [**KCS Act**], has filed the present appeal impugning an order dated 25.09.2025 passed by the learned Single Judge of this Court in Writ Petition No.14706/2025 (CS-EL/M).

3. The appellant had filed the said petition, *inter alia,* praying as under:

> "i. Issue a writ of mandamus directing the respondent no.3 to 5 to accept the delegation form of petitioner society and permit the petitioner society to cast their vote in the election scheduled to be held on 28/05/2025 to the respondent no.5 DCC Bank.

> ii. Such other direction or order writ as may deem fit to this Hon'ble Court may kindly be issued."

4. The appellant is a member of respondent No.5 [hereafter **DCC Bank**], which is a federal society providing assistance to Taluk Agricultural Societies and Primary Societies. The dispute in the present appeal essentially relates to the appellant being considered ineligible to participate in the elections of DCC Bank, which were held on 28.05.2025.

5. DCC Bank had issued a notice dated 07.04.2025 alleging that the appellant was a defaulter under Section 20(2)(b)(iv)(a) and (b) of the KCS Act, as a total demand of Rs.2798.64 lakhs was outstanding as on 31.03.2025. The appellant was called to pay a sum of ₹1295.55 lakhs by 5.00 p.m. on 06.05.2025, failing which it would be disqualified to contest or cast a vote in the ensuing elections.

6. The appellant claims that it made payments after receipt of the notice. It also attempted to pay ₹3 crores on 06.05.2025 in cash. However, DCC Bank could not accept the same on account of its limitation to accept cash beyond a specified limit. Accordingly, the appellant paid ₹2,98,64,000/- through banking

channels on 09.05.2025. Notwithstanding that the appellant had made the aforesaid payments, the appellant was named in the list of ineligible voters on account of suffering disqualification under Section 20(2)(b)(iv) of the KCS Act. As noted above, the appellant disputed this and accordingly filed the writ petition.

7. The learned Single Judge had passed an interim order permitting the appellant to participate in the election and directed that its vote be kept in a separate ballot box.

8. The learned Single Judge, after hearing the parties, dismissed the petition as the court found that the appellant was ineligible to cast the vote as it had incurred a disqualification under Section 20(2)(b)(iv) of the KCS Act. The learned Single Judge found that the appellant failed to pay 50% of the outstanding demand as demanded under the notice dated 07.04.2025 and therefore, the decision of the DCC Bank to include the appellant's name in the list of ineligible voters did not warrant any interference.

9. The relevant extract of the impugned order is set out below:

> "11. A perusal of the notice dated 07.04.2025 issued by the respondent No.5, shows that the petitioner was liable to repay a sum of Rs.27,98,64,000/- to respondent No.5 as on 31.03.2025. Therefore, to be eligible to cast the vote at the elections to the Managing Committee

of the respondent No.5, the petitioner was bound to pay 50% of the said amount namely, a sum of Rs. 13,99,32,000/-. In a notice under Section 20(2)(b)(iv)(a) of the Act of 1959, it was stated by the respondent No.5 that as on 07.04.2025, the petitioner has paid a sum of Rs.1,03,77,000/- and was liable to pay a sum of Rs.12,95,55,000/- by 06.05.2025 to become eligible to vote and contest the elections to the Managing Committee of respondent No.5. The petitioner has furnished the details of payment made to the respondent No.5 in Annexure D. The same is extracted below:-

ಸಂಖ್ಯೆ	ದಿನಾಂಕ	ಖಾತೆ ಸಂಖ್ಯೆ	ಮೊತ್ತ
1.	05.04.2025	125004603320	6900000
2.	03.05.2025	125004603320	4380000
3.	05.04.2025	125004605033	6909000
4.	03.05.2025	125004605033	5264000
5.	05.04.2025	125001345757	6560000
6.	03.05.2025	125001345757	1245000
7.	05.04.2025	125001665937	7143000
8.	03.05.2025	125001665937	2582000
9.	05.04.2025	125003149863	12332000
10.	03.04.2025	125004604743	6275000
11.	09.04.2025	125003149863	13811000
12.	09.04.2025	125003923498	13260000
13.	09.05.2025	125002749475	9900000
14.	05.04.2025	125004605599	8850000
15.	03.05.2025	125004605599	3919000
16.	05.04.2025	125002803944	2148000
17.	03.05.2025	125002803944	2910000
18.	09.05.2025	125004539635	29864000
	ಒಟ್ಟು		14,69,52,000

12. If we exclude the payments made by the petitioner, prior to 07.04.2025, it is evident that the petitioner had repaid Rs.8,71,35,000/- as on 09.05.2025 as against Rs.12,95,55,000/- payable by 06.05.2025. Therefore, the action of the respondent No.5 in including the name of the petitioner in the ineligible list of voters is just and proper and does not warrant any interference."

10. It is apparent from the above that the learned Single Judge accepted the DCC Bank's contention that the appellant was a defaulter, since it had repaid only ₹8,71,35,000/- after 07.04.2025 against the demand of ₹12,95,55,000. It is important to note that the learned Single Judge did not reject the appellant's contention that it had tendered ₹3 crores on 06.05.2025 and that the same could not be excluded for the purpose of calculating the amounts of default.

11. The learned counsel appearing for DCC Bank rightly pointed out that the learned Single Judge had taken into account the amounts paid up to 09.05.2025. However, the court found that the payments made by the appellant fell short of the amount demanded and, therefore, there was no error in including the appellant's name in the list of ineligible voters. The appellant disputes the finding that it had not paid the amounts as demanded under the notice dated 07.04.2025.

12. Thus, the limited question to be examined is whether the appellant had discharged 50% of the amount outstanding as on 31.03.2025 on being put to notice of the said default by the notice issued by DCC Bank dated 07.04.2025.

REASONS AND CONCLUSIONS

13. We may note, at this stage, that there is no dispute that the appellant had sought to tender ₹3 crores in cash on 06.05.2025 to avoid ineligibility under Section 20(2)(b)(iv) of the KCS Act. DCC Bank was not in a position to accept the said payment on account of its limitation to receive cash over a specified limit. Therefore, the appellant had paid the sum of ₹2,98,64,000/- through banking channels immediately thereafter on 09.05.2025. We are unable to accept that the tender of ₹3 crores in cash was not a valid tender and as required by DCC Bank, the appellant had made the payments through banking channels on 09.05.2025. Thus, the payment made on 09.05.2025 is required to be reckoned as the payment on or before the cut off date. Having stated the above, we may note that this is not an issue in the present appeal. There is no serious dispute as to this question as the learned Single Judge had also taken into account the payments made up to 09.05.2025 to determine whether the appellant incurred disqualification under Section 20(2)(b)(iv) of the KCS Act. As noted above, the learned counsel appearing for DCC Bank also argued on the premise that the appellant was ineligible for the reason that the payments made

up to 09.05.2025 did not satisfy the demand under the notice dated 07.04.2025.

14. Thus, the principal question to be addressed is whether the payments made by the appellant up to 09.05.2025 satisfied the notice dated 07.04.2025 to overcome the condition of ineligibility under Section 20(2) (b)(iv) of the KCS Act.

15. At this stage, we may refer to Section 20(2)(b)(iv) of the KCS Act which is reproduced:

> "**20. Votes of members.**
>
> xxx xxx xxx
>
> (2) The following shall not have the right to vote at a general meeting or an election of the members of the board of the co-operative society in which they are members, namely.–
>
> xxx xxx xxx
>
> (b) a co-operative society.-
>
> (i) xxx xxx xxx
>
> (ii) xxx xxx xxx
>
> (iii) xxx xxx xxx
>
> (iv) whose principal object is to advance loans and whose percentage of recovery is.-
>
> (a) less than fifty percent of its total demand for the Co-operative year immediately preceding the Co-operative year during which the meeting or election is held; or

> (b) which fails to pass on to the financing bank or the credit agency, as the case may be, fifty percent of the demand or the entire portion of the recovered amount of the demand of the financing bank or credit agency, whichever is higher, at least fifteen days before the date of the general meeting or the date of election, after a notice of not less than thirty days in this regard has been issued to that society."

16. Although the notice dated 07.04.2025 alleges that the appellant is a defaulter as per Section 20(2)(b)(iv)(a) and (b) of the KCS Act, a plain reading of the notice indicates that the allegation is that the appellant is a defaulter under sub-clause (a) or (b) of Section 20(2)(b)(iv) of the KCS Act.

17. The allegation is that it had not paid the demand as on 31.03.2025. The English translation of the contents of the said notice is set out below:

> "With regard to above subject and reference, election to the management board of the Kolar and Chikkaballapur District co-operative Central Bank Limited, Kolar is scheduled to be held as per reference (1) and your co-operative society has borrowed KCC/MTL/SHG/ Other loans from the bank. As per the information provided by the Branch Manager and Supervisor of the branch of the bank within the jurisdiction of your society, your are defaulter as per section 20(2)b4(a) (b) of KCS Act, 1959.

> Wherefore, total demand as on 31/03/2025 is Rs.2798-64 Lakhs, whereas you have repaid only a sum of Rs. 103.77 Lakhs and hence, you are directed to repay the balance sum of Rs.1295-55 Lakhs 5-00 PM on 06/05/2025 to the undersigned. Failing which, you would be disqualified to contest/ cast vote in the election prescribed as per Reference (1)."

18. The appellant paid an aggregate amount of ₹14,69,52,000/- between 03.04.2025 and 09.05.2025, as set out in the tabular statement in the impugned order. Although the appellant paid more than the amount demanded (₹1295.55 lakh), the learned Single Judge found that the amount paid prior to 07.04.2025 had to be excluded from the amount paid. The learned counsel appearing for DCC Bank also supports the said view.

19. The notice dated 07.04.2025 cannot be read in disregard of the provisions of Section 20(2)(b)(iv) of the KCS Act. The appellant would be ineligible to vote if its percentage of recovery is less than 50% of its total demand for the co-operative year immediately preceding the co-operative year during which the meeting or election is held, or if it fails to pass on to the financing bank or the credit agency 50% of the demand at least fifteen (15) days before the date of the general meeting or the date of election, after a notice of not less than 30 days in that regard has been issued to

that society. Thus, the appellant was required to pay at least 50% of the demand as on 31.03.2025. The tenor of the notice dated 07.04.2025 is also to the same effect. On examining the notice, we find that the total demand as on 31.03.2025 was stated to be ₹2798.64 lakhs. Thus, the appellant was required to discharge at least ₹1,399.32 lakhs, being 50% of the said amount on or before the cut-off date. The notice dated 07.04.2025 acknowledged that the appellant had paid a sum of ₹103.77 lakhs and after adjusting the said amount from ₹1399.32 lakhs, the appellant was called upon to pay the balance amount of ₹1295.55 lakhs. Thus, there is no cavil that the notice dated 07.04.2025 proceeded on the basis that the appellant was required to pay 50% of the amount outstanding as on 31.03.2025. As noted above, there is no dispute that the payments made by the appellant against the said demand were as reflected in the tabular statement in the impugned order and acknowledged by DCC Bank in its letter dated 16.05.2025, which in any event, exceed ₹1399.32 lakhs. The learned Single Judge had clearly erred in proceeding on the basis that the amount paid prior to the notice was required to be excluded.

20. The tabular statement set out in the impugned order indicates that the appellant had paid more than ₹103.77 lakhs prior

to the notice. However, the notice only acknowledges receipt of ₹103.77 lakhs prior to the said notice. However, by a letter dated 16.05.2025, the DCC Bank had acknowledged the payments as reflected in the impugned order.

21. Since the appellant was required to discharge 50% of the demand outstanding as on 31.03.2025, the amounts paid before the date of the notice and after 31.03.2025 had to be taken into account to determine whether the appellant was ineligible to cast its vote.

22. In view of the above, we find merit in the appellant's contention that it was not ineligible to vote in the elections scheduled to be held on 28.05.2025.

23. This Court is informed that the elections have been held and that the results of the relevant constituency have not been declared as yet. In view of the above, we direct that the vote cast by the appellant's delegate, which has been recorded separately, be taken into account, and the result be declared accordingly.

24. The appeal is allowed in the aforesaid terms, and the impugned order is set aside.

25. The pending interlocutory applications also stand disposed of.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

AHB