IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF OCTOBER, 2026

PRESENT

THE HON'BLE MR. JUSTICE JAYANT BANERJI

AND

THE HON'BLE MRS. JUSTICE N.V.BHAVANI

CIVIL CONTEMPT PETITION NO.274 OF 2025

BETWEEN:

M.G SHIVAJI RAO
S/O GOVINDA RAO
AGED ABOUT 65 YEARS
PRESENTLY R/AT NO.1020/946
ARKANATHA ROAD, 3RD CROSS
K.R.NAGAR - 571 602, MYSURU DISTRICT …COMPLAINANT

(BY SRI AJOY KUMAR PATIL, ADVOCATE)

AND:

1. SRINIVAS, CHAIRMAN,
KARNATAKA STATE TOURISM DEVELOPMENT
CORPORATION LIMITED (KSTDC)
GROUND FLOOR, BMTC,
YESHWANTHPUR, TTMC BUS STAND,
YESHWANTHPUR CIRCLE,
BENGALURU 560 022

2. K V RAJENDRA, IAS
MANAGING DIRECTOR,
KARNATAKA STATE TOURISM DEVELOPMENT
CORPORATION LIMITED (KSTDC)
GROUND FLOOR, BMTC,
YESHWANTHPUR, TTMC BUS STAND,
YESHWANTHPUR CIRCLE,
BENGALURU 560 022

3. PARASHIVA MURTHY
GENERAL MANAGER (F),
KARNATAKA STATE TOURISM
DEVELOPMENT CORPORATION LIMITED (KSTDC)
GROUND FLOOR, BMTC,
YESHWANTHPUR, TTMC BUS STAND,
YESHWANTHPUR CIRCLE,
BENGALURU 560 022

Digitally signed by K G RENUKAMBA
Location: High Court of Karnataka

4. RAMESH BABU, KAS
ADMINISTRATIVE OFFICER,
KARNATAKA STATE TOURISM DEVELOPMENT
CORPORATION LIMITED (KSTDC)
GROUND FLOOR, BMTC,
YESHWANTHPUR, TTMC BUS STAND,
YESHWANTHPUR CIRCLE,
BENGALURU 560 022

5. DEVARAJU
ASSISTANT GENERAL MANAGER (HOTELS),
KARNATAKA STATE TOURISM DEVELOPMENT
CORPORATION LIMITED (KSTDC)
GROUND FLOOR, BMTC,
YESHWANTHPUR, TTMC BUS STAND,
YESHWANTHPUR CIRCLE,
BENGALURU 560 022

…ACCUSED

(BY SRI. B L SANJEEV, ADVOCATE)

THIS CIVIL CONTEMPT PETITION IS FILED UNDER SECTIONS 11 AND 12 OF THE CONTEMPT OF COURTS ACT, 1971 R/W RULE 3 OF THE HIGH COURT OF KARNATAKA (CONTEMPT OF COURT PROCEEDINGS) RULES, 1981, BY THE COMPLAINANT, PRAYING TO ORDER THAT THE ACCUSED ARE GUILTY OF CONTEMPT FOR WILLFULLY DELIBERATELY AND INTENTIONALLY VIOLATING THE JUDGMENT AND FINAL ORDER DATED 25.06.2024 (ANNEXURE-A) PASSED BY THIS COURT IN WP NO.38110/2016.

THIS CIVIL CONTEMPT PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS COMING ON FOR PRONOUNCEMENT THIS DAY, ***JAYANT BANERJI J.,*** DELIVERED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE JAYANT BANERJI
and
HON'BLE MRS. JUSTICE N.V.BHAVANI

CAV JUDGMENT

(PER: HON'BLE MR. JUSTICE JAYANT BANERJI)

Heard the learned counsel for the complainant and learned counsel appearing for accused.

2. Pursuant to previous orders passed by the Court, the accused are present in Court.

3. This contempt petition is filed alleging wilful disobedience of the judgment and order dated 25.06.2024 passed by this Court in W.P.No.38110/2016.

4. By the judgment, non-compliance of which is alleged in this petition, the learned Single Judge held the dismissal of the petition therein to be disproportionate given the scope of his responsibilities while acknowledging the negligence of the petitioner-complainant. W.P.No.44483/2012 was dismissed, but the writ petition, the order which is said to be not complied with i.e., W.P.No.38110/2016 was allowed in part and the penalty of dismissal of service of the petitioner-complainant by respondent No.1 therein was set aside. He was held entitled for all consequential benefits. However, the recovery against the petitioner-complainant was affirmed. All pending IA's stood disposed of.

5. An affidavit was filed on 17.11.2025 by Sri.Prashant Kumar Mishra, Managing Director of KSTDC, enumerating the compliance steps taken by the respondent/Corporation. It is stated therein that the case was reviewed following the order of the Hon'ble High Court and it was determined that reinstatement does not automatically confer entitlement for full back wages or all service benefits unless there is complete

exoneration. It was noted that the High Court had affirmed the monetary penalty implying that there was partial blameworthiness. Consequently, the Competent Authority issued a speaking order treating the period of suspension and dismissal as not on duty.

6. An amount of Rs.5,00,000/- was disbursed to the petitioner-complainant pursuant to the Hon'ble Court's order in writ petition, which the accused has fully complied with. It is stated that the payment was made without prejudice to the final determination of service benefits under the applicable Rules. Back wages was denied.

7. A memo dated 28.01.2026 was filed by the Advocate for the accused stating therein that a letter had been written to the Provident Fund Authority requesting the Authorities to release the Provident Fund dues to the petitioner-complainant. A copy of the letter is enclosed with the memo.

8. It appears that thereafter an application I.A.No.1/2026 was filed before the learned Single Judge in W.P.No.38110/2016, on which, on 03.09.2026 the following order was passed:

> *"……..*
> *3. Learned counsel for the petitioner opposes the application and submits that the order dated*

25.06.2024 is clear and unambiguous and that the petitioner is entitled to all benefits flowing from said order.

4. Having considered the rival submissions, it would be apposite to extract the relevant finding recorded by this Court in paragraph 11 of the order dated 25.06.2024, which reads as follows:

> *"11. In contrast, the manager's role as established by evidence do not encompass direct involvement in financial transactions. While negligence on his part is acknowledged, particularly in failing to scrutinize the actions of subordinates more closely, the severity of dismissal of service is deemed excessive. This Court is of the view that there is no evidence to suggest that Manager was tasked with cross verifying accounts which falls squarely within the FDAs purview. Therefore, while the Manager (petitioner in W.P.No.38110/2016) may have been negligent in not scrutinizing the actions of FDA more closely, it cannot be deemed disproportionate to dismiss the Manager from service solely on the ground of negligence.*

5. The aforesaid finding makes it clear that this Court did not completely exonerate the petitioner of negligence. On the contrary, a specific finding was recorded that the petitioner was negligent in not scrutinizing the actions of the concerned employee more closely, though such negligence was held insufficient to sustain the extreme penalty of dismissal.

6. Therefore, the expression all consequential benefits occurring in the operative portion of the order dated 25.06.2024 has to be understood in the context of the findings recorded therein. The said expression cannot be construed as an automatic direction for payment of back wages for the period during which the petitioner did not render service.

> *7. It is well settled that back wages do not follow automatically upon setting aside an order of dismissal or directing reinstatement. The entitlement to back wages depends upon the facts and circumstances of each case, including the nature of the misconduct and the conduct of the employee. The judgments relied upon by the respondent reiterate this settled principle.*
>
> *Accordingly, I.A.No.1/2026 is allowed. It is hereby clarified that the petitioner is entitled to the consequential service benefits flowing from the order dated 25.06.2024, including continuity of service and benefits consequential thereto, but is not entitled to claim back wages/salary for the period during which he did not render service pursuant to the order of dismissal.*

9. The submission of learned counsel for the accused therefore is that the learned Single Judge had clarified his own order and has held that the petitioner-complainant is entitled to the consequential service benefits flowing from the order dated 25.06.2024 including continuity of service and benefits consequential thereto, but is not entitled to claim back wages/salary for the period during which he did not render service pursuant to the order of dismissal.

10. Learned Counsel for the petitioner-complainant has, however, submitted that the order of the learned Single Judge passed on 25.06.2024 in the aforesaid W.P.No.38110/2016 was subjected to writ appeal bearing W.A.No.1369/2024. After finding that neither the order passed by the Disciplinary

Authority nor the Appellate Authority addressed the points raised by the petitioner-complainant, but they proceeded on the premise that the petitioner-complainant was also indicted by the Enquiry Officer, it was observed that obviously the role of the petitioner-complainant and his job description was not considered. In that view of the matter, the observations made by the learned Single Judge, in appreciating the role of the petitioner-complainant and invoking the 'Doctrine of Proportionality' could not be faulted. The Division Bench thereafter returned the finding that no infirmity in the order of the learned Single Judge was found and therefore, the appeal was dismissed.

11. The submission is that in the order of affirmance by the Division Bench of this Court, the order of the learned Single Judge stood merged and thereafter it was only the order of the Division Bench that stood. Learned Counsel has referred to a decision of the Supreme Court in the case of ***State of Uttar Pradesh v. Virendra Bahadur Katheria***[1] with pointed reference to paragraph No.41 thereof to contend that the order of affirmance passed by the Division Bench in appeal resulted in appellate order subsisting and it alone remained operative and capable of enforcement in the eye of law.

[1] (2024) 15 SCC 1

12. It is further stated that the factum of filing the writ appeal before the Division Bench was concealed by the accused before the learned Single Judge when the application I.A.No.1/2026 was moved. It is submitted that because of this concealment, the learned Single Judge did not notice the order of the Division Bench in the writ appeal and because of that, the clarificatory order was passed on 03.09.2026. It is stated that the material fact regarding filing of the appeal being concealed by the accused, amounted to fraud played on the Court. It is also submitted that an application for recall has been preferred by the petitioner-complainant before the learned Single Judge for recall of the order dated 03.09.2026.

13. We have heard the rival submissions of the parties and have perused the judgment cited by the learned counsel for the petitioner-complainant.

14. In paragraph No.41 of the judgment in ***Virendra Bahadur Katheria*****,** the Supreme Court considered its judgment by a three Judge Bench in the case of ***Kunhayammed & Ors. v. State of Kerala & Another***[2]. Paragraph No.44 of the judgment in ***Kunhayammed,*** summed up the conclusions therein.

[2] (2006) 6 SCC 359

Paragraph No.44(i) that has been relied upon by the learned Counsel for the petitioner-complainant, reads as follows:

> *"(i) Where an appeal or revision is provided against an order passed by a court, tribunal or any other authority before superior forum and such superior forum modifies, reverses or affirms the decision put in issue before it, the decision by the subordinate forum merges in the decision by the superior forum and it is the latter which subsists, remains operative and is capable of enforcement in the eye of the law."*

15. Since it is submitted by learned Counsel for the complainant that for recall of the order dated 03.09.2026 an application has been filed before the learned Single Judge, we would not like to express any opinion on the aspect of merger or concealment at this stage, since our answer thereto would have an effect on the outcome of the application for recall pending before the learned Single Judge.

16. It is open for the complainant to raise such pleas as may be advised before the learned Single Judge for consideration of the application for recall. As things stand, the order of the learned Single Judge dated 03.09.2026, clarifying the aspect of back wages/salary for the period during which the complainant did not render service pursuant to the order of dismissal, unless that order is demonstrated to have been varied, this Court cannot but affirm that the compliance of the

order of the writ Court is evinced in the affidavit dated 15.09.2026 filed by accused No.2.

17. The contempt case is therefore consigned. Leaving it open to the complainant to revive the contempt proceedings, should any order enure to his benefit in the recall application filed by him, which is pending before the learned Single Judge.

Sd/-
(JAYANT BANERJI)
JUDGE

Sd/-
(N.V.BHAVANI)
JUDGE

DR/KSR