HC-KAR

NC: 2026:KHC:61325-DB
WA No. 975 of 2025

CNR: KAHC010391582025

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 4TH DAY OF NOVEMBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

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

WRIT APPEAL NO. 975 OF 2025 (CS-RES)

BETWEEN:

1. MYSURU AND CHAMARAJANAGAR
   DISTRICT CO-OPERATIVE CENTRAL BANK LTD.,
   NEHRU CIRCLE, ASHOKA ROAD
   MYSURU - 570 001
   REPRESENTED BY ITS
   CHIEF EXECUTIVE OFFICER

…APPELLANT

(BY SRI ANANDA K., ADVOCATE)

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

AND:

1. JOINT REGISTRAR
   OF CO-OPERATIVE SOCIETIES
   MYSURU DIVISION
   PUBLIC OFFICE BUILDING
   MYSURU - 570 004

2. SRI B.S. KRISHNEGOWDA
   RETIRED MANAGER OF MDCC BANK
   RESIDING AT NO. 396-A
   2ND MAIN, 3RD STAGEGOKULAM
   MYSURU - 570 002

…RESPONDENTS

(SMT. NILOUFER AKBAR, AGA FOR R-1
SRI BASAVARAJA PATEL G.K, ADVOCATE FOR R-2)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 18/01/2024 PASSED IN W.P.NO.58481/2014 AND ALLOW THE WRIT PETITION AS PRAYED FOR THEREIN, BY ALLOWING THIS WRIT APPEAL AND TO PASS SUCH OTHER ORDER.

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 MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

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

1. The appellant has filed the present appeal after an inordinate delay of 485 days. The only explanation for the delay is that the Government had appointed an Administrator and therefore, the Bank was not able to take immediate steps to challenge the impugned order. It is stated that after the Administrator had taken a decision to challenge the order, the matter was entrusted to the counsel to prepare a writ appeal. The counsel had requested the Bank to furnish all documents pertaining to the subject matter and the Bank took sometime to secure the documents.

2. We note from the record that apart from the pleadings before the Arbitrator, the learned KAT and the learned Single Judge and

the orders passed the said authorities/court, the Bank has not produced any other document. Thus, the contention that it took some time to collate the documents is not persuasive. We find that the Bank has not provided any credible reasons which prevented it from filing the appeal within time. Thus, we find no grounds to condone the delay. The application, IA No. 01/2025 is accordingly dismissed. Subsequently, the appeal is required to be dismissed as well.

3. Notwithstanding the same, since we have heard the learned counsel for the parties, we consider it apposite to consider the appellant's contentions on merits.

4. The appellant [**Bank**] has filed the present appeal impugning the order dated 18.01.2024 passed by the learned Single Judge in Writ Petition No.58481/2014 (CS-RES). The Bank had filed the said petition, *inter alia,* impugning an order dated 16.08.2014 passed by the learned Karnataka Appellate Tribunal [**KAT**] in Appeal No.1195/2004, which in turn appealed an order dated 03.07.2004 [**award**] passed by the Assistant Registrar of Co-operative Societies (Money Lending) [**Arbitrator**]. The Arbitrator

had passed the said order in a dispute under Section 70 of the Karnataka Co-operative Societies Act, 1959 [**KCS Act**] filed by respondent No.2 [**the employee**].

5. The employee had joined the services of the Bank on 27.08.1965 as a Second Division Clerk. He was promoted as a First Division Clerk on 06.05.1968. It is stated that the employee was posted in different branches of the Bank as Bank Manager and during the period 1986-87, he was posted at Heggada Devana Kote Branch of the Bank as Branch Manager. There were certain allegations of misconduct against him while he was working as Branch Manager at Nanjangud Branch. In view of the allegations, he was placed under suspension on 30.09.1986.

6. Subsequently, a charge sheet was filed and enquiry was conducted. On the basis of the enquiry report, the Disciplinary Authority imposed punishment of withholding one annual increment for a period of one year in 1995. The employee raised a dispute before the Joint Registrar of Co-operative Societies under Section 70 of the KCS Act, which was assigned to the Arbitrator. The

employee sought several reliefs, including challenging certain fines that had been imposed during the course of his employment.

7. The employee sought the following reliefs:

> "RELIEF:
>
> The petitioner prays that this Hon'ble Authority may be pleased to declare the following reliefs in favour of the petitioner as against the respondents:-
>
> 1) Enquiry Report dated 6-2-87 is null and void as well as stoppage of increment from May 1987 to April 1988 is void in law, directing the respondents pay a sum of Rs 600/- to the petitioner and full salary on the suspension period.
>
> 2) Stoppage of one increment for the year 1995 is null and void, directing the respondents pay the same to the petitioner
>
> 3) what the petitioner is entitled to time bound increment by virtue of his service unbroken from 1-4-82 and also eligible for benefit of selection time-scale with effect from 1-4-83, directing the respondents to give the above benefits with retrospective effect to the petitioner.
>
> 4) That continuance of V.Huchappa in service after retirement is void in law and irregular since no prior permission was obtained by the respondents from the competent authority.
>
> 5) That one Narayan, manager, Head Office and C. Venugopala Rao, Manager, Head Office, Mysore, retired 3 years back. But they are continued without prior permission which be kindly declared void in law and direct the res-pondents to dispense with their services forthwith, since it affects the seniority and promotion prospects of the petitioner and others alike.

6) To declare that promotion of A.Mukunda, Narayanaswamy, Channabasappa, M.L. Shivalingaiah, S.Ramakarishna, C.D Honegowda, C.Puttegowda, P.B.Thimmaiah and R. Nagaraj, B. Ramu, is illegal and irregular and by virtue of his seniority the petitioner is having priority and eligibility to get promotion.

7) Non filling up of one post out of 4 posts got sanctioned by the respondents is void in law and direct the respondents to fill up the vacant post by promoting the petitioner.

8) The deductions and recoveries made by the respondents as stated in the body of the petition are irregular, illegal and void in law, and to direct the respondents to pay the petitioner the amounts of Rs 74-60, Rs 250/- and Rs 600/-

9) The petitioner is entitled for bonus by way of ex gratia from 1988-89 to 1989-90 and direct the respondents pay the same forthwith.

10) To direct the respondents to furnish the details of petitioner's earned leave at credit and leave utilised for the period from 6-5-68 to 22-5-88.

11) Marking absent and drawing half pay of the petitioner by the respondents when full pay leave is at credit is irregular and void in law and direct the respondents pay the same., viz deducted amount of 161/-

12) Deduction of is Rs 100/- for delay in giving answer to points in meeting is void in law and direct the respondents pay the same to the petitioner

For costs and such other reliefs as this Hon'ble Authority deems it to grant in the circumstances of the case."

8. The employee also claimed that after his appointment, the Bank had appointed some employees who were junior to him in service and were given the time bound promotion. The employee claimed that he was entitled to time bound promotion with effect from 01.04.1983. The Bank disputed the said contention and had claimed that time bound promotions were implemented in the year 1994 and since 1996, financial benefits were provided to all eligible employees. In view of the above, the learned Arbitrator rejected the employee's claim in this regard. However, the Arbitrator allowed certain monetary claims, including directing refund of the fine amounts collected. The employee claimed that certain named employees (Sri H.V.Hucchappa, Narayan, C.Venugopal Rao and others) continued in service even after they had attained the age of superannuation that is 58 years, which was in violation of the Government Notifications dated 29.09.1993 and 07.04.1997. The employee claimed retaining them came in the way of his promotion and annual increment. This claim was accepted and the learned Arbitrator directed the Bank to sanction financial benefits to the employee which would have accrued to him, if he had been promoted to the post, in which was serving, as per the Rules.

9. The learned Arbitrator also allowed certain monetary claims, including refund of the fines along with interest at the rate of 18% per annum from 06.05.1996 till payment.

10. The operative part of the award is set out below:

"ORDER

This Dispute petition filed U/s.70 of the Karnataka Cooperative Societies Act is partly allowed and the Respondent bank is directed to refund money to the Petitioner in respect of the following points.

1) In respect of point No.4, refund of the fine amount of Rs.250/- deducted from the Petitioner's salary.

2) Refund of one day's salary of Rs.161/- deducted on 03-09-91 on account of absence in lieu of casual leave as per allegation No.7.

3) Refund of fine of Rs. 100/- for late submission of information in respect of allegation No.9.

4) In respect of the allegation No.11, the Petitioner should be paid financial benefits in respect of the Promotion, Annual Increment and other compensations that were due to him as per the rules, as the retired Respondent Bank Employees viz., V.Huchappa, Narayana, C. Venugopalrao etc. were illegally continued even after their retirement.

5) Repayment of Rs.74/- for having not paid to the Life Insurance Corporation though deducted from the plaintiff's salary as stated in allegation No.13.

6) The Respondents are directed to pay interest at the rate of 18% on the total amount to be paid to the petitioner from 06.05.1996 till payment."

11. Aggrieved by the said decision, the Bank preferred an appeal (Appeal No.1195/2004) before the learned KAT, which was dismissed by the order dated 16.08.2014. The learned KAT found that the fines had been imposed without following the procedure as per the bye-laws. Thus, the learned KAT upheld the order passed by the Arbitrator. The learned KAT also found that certain employees had been retained even after they had attained the age of superannuation, which was in violation of the relevant notifications in force and resultantly, the employee was denied the promotion at the material time.

12. Accordingly, the learned KAT upheld the decision of the learned Arbitrator in directing payment of financial benefits that would have accrued to the employee. The Bank preferred a writ petition raising somewhat similar grounds that were raised before the learned KAT. The learned counsel appearing for the Bank contended before the learned Single Judge that the employee had not produced any document to show that he was the senior most person eligible for promotion and thus, the award accepting his seniority was erroneous. The learned Single Judge found that the

Bank had failed to produce any seniority list or documents to counter the employee's claim that he was the senior most person at the material time. Thus, his contention that he was denied promotion as certain other employees had been retained in service beyond the age of superannuation, remained uncontroverted. In view of the above, learned Single Judge declined to interfere with the orders passed by the learned KAT and the award passed by the Arbitrator.

13. The learned counsel appearing for the appellant submitted that the dispute filed by the employee before the Arbitrator was barred by limitation and the said issue had not been decided by the learned Arbitrator. However, we note that no such ground was raised in the writ petition. It does not appear that any such contention was raised before the learned Single Judge.

14. It was contented on behalf of the Bank that the employee had not produced any material or evidence to show that he was senior and he was denied promotion to which he was entitled. It is claimed that although the employee had challenged the continuation of services of Sri Hucchappa, Sri Narayani and Sri

Venugopal after their retirement, they were not arrayed as parties. It has also challenged the promotion order of 8 other employees (Sri A Mukunda, Sri Narayanaswamy, Sri Chennabasappa, Sri M.N.Shivalinaiah, Sri Ramakrishna, Sri Puttegowda, Sri P.V.Thimmaiah and Sri B. Nagaraj). However, none of the persons were made parties to the petition. Therefore, the claim was liable to be dismissed for the non-joiner of proper parties. It was earnestly contended that the employee's contention that he was the senior most person and was entitled to promotion cannot be accepted without him providing any evidence to substantiate the same.

15. We find no reason to interfere with the impugned order.

16. The employee had claimed that he was the senior most and was entitled to promotion. It is stated that certain other persons had been appointed after he was appointed. He had also claimed that the certain other persons who had been appointed had been promoted and some employees were retained in the services after they attained the retirement age. The Bank had not produced any document or material to controvert the said assertions. As rightly

observed by the learned Single Judge the service records of all the employees of the Bank would be in its custody and if the Bank wanted to contest the employee's contention that he was the senior most employee eligible for promotion, it was necessary for the Bank to produce the seniority list to controvert the said assertion.

17. In view of the above, the appeal is dismissed both on account of delay as well as on merits.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

AHB
List No.: 1 Sl No.: 4