IN THE HIGH COURT OF JUDICATURE AT BOMBAY NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 5359 OF 2015

Aswadeep Magasvargiya Audyogik Sahakari Sanstha, Post Mehuna Raja, Dist.Buldhana, thr.its President, Bharat Atmaram Kakde

-vs-

State of Maharashtra, Deptt. of Cooperation and others

Office notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's Orders.

Mrs.R.D.Raskar, counsel for the petitioner.
Mr.K.L.Dharmadhikari, AGP for the respondents.

CORAM : SMT. VASANTI A. NAIK & A.S.CHANDURKAR, JJ.

DATE : 06.01.2016.

Heard.

The petitioner, a Cooperative Society registered under provisions of the Maharashtra Cooperative Societies Act, 1960 is aggrieved by a direction issued by the Divisional Joint Registrar, Cooperative Societies, Amravati directing re-audit of accounts under provisions of Section 81(6) of the Act of 1960.

It is submitted by Smt.Raskar, learned counsel for the petitioner that the direction of re-audit has been issued without grant of any opportunity of hearing to the petitioner. It is submitted that aforesaid provisions require recording of satisfaction before re-audit can be directed. It is further submitted that the impugned order does not reflect due application nor does it spell out any reasons as to why there is a direction to re-audit the accounts. It is, therefore, submitted that the impugned action deserves to be set aside.

Shri K.L.Dharmadhikari, learned Assistant Government Pleader for the respondents, submitted on instructions that an amount of Rs.4.89 crores belonging to the State Government was with the petitioner-Society and as it was found that the earlier audit had not been conducted satisfactorily, there was a need for re-audit. He further submitted that in the impugned order itself there is reference to various complaints being received as well as a direction by the

Divisional Joint Registrar to conduct re-audit of accounts. He further submitted on instructions that the persons, who had demanded re-audit, had demonstrated their *bona fides* by depositing audit fees of Rs.1,00,000/-. He, therefore, submitted that there is no case for interference.

Perusal of the impugned order directing re-audit indicates that the District Deputy Registrar has found that various serious complaints were received by his office with regard to financial irregularities of the petitioner-Society. It was further found that there was a direction issued by the Divisional Joint Registrar, Cooperative Societies to conduct re-audit. The provisions of Section 81 (6) of the Act of 1960 provide for issuance of directions to re-audit any accounts if it appears to the Registrar that the same is necessary or expedient. *Suo motu* powers have, therefore, been exercised by the Registrar while directing re-audit. In exercise of these *suo motu* powers, it cannot be said that the petitioner was entitled as of right to be heard. No prejudice has been pointed out by the petitioner. It is further to be noted that on re-audit being conducted, the procedure as prescribed by Rule 69 of the Maharashtra Cooperative Societies Rules, 1961 has to be followed and a remedy to an aggrieved person has been provided therein. Considering the fact that an amount of Rs.4.89 Crores of public funds have been said to be invested with the petitioner-Society, the respondent No.3 was justified in exercising his *suo motu* powers in directing re-audit. There is no error of jurisdiction whatsoever committed by the respondent No.3 when he directed re-audit of accounts.

Hence, there is no case made out for interference in writ jurisdiction. The writ petition is dismissed with no order as to costs.

JUDGE **JUDGE**

KHUNTE