

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 5440 OF 2021

Maharashtra State Handloom
Co-operative Federation Ltd. & Anr. ..Petitioners
V/s.

The State of Maharashtra
thr. Secretary Textile Dept. and Ors. ..Respondents

Mr. Kaustubh Thipsay for the Petitioners.
Mr. P.P. Pujari, AGP for Respondent Nos. 1 and 2/State.
Mr. Nishigandh Patil for Respondent No.3.
Mr. Prashant Darandale for Respondent No.4

CORAM : C.V. BHADANG, J.

DATE : 14 OCTOBER 2022

P.C.

. The challenge in this petition is to the order dated 27.05.2021 passed by the Hon'ble Minister for Co-operation in Revision Application No. ORUA-2019/CR 332/15-S. By the impugned order, the Hon'ble Minister acting under Section 78 of the Maharashtra Co-operative Societies Act, 1960 ('the said Act' for short) has made an interim arrangement appointing the Executive Director of the Maharashtra State Handloom Co-operative Federation Limited (MAHATEX) as an Administrator w.e.f. 22.01.2021 till new Board of Directors come into existence on election.

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2. I have heard learned counsel for the Petitioners and learned counsel for the contesting Respondents and the learned AGP for State.

3. The learned counsel for the Petitioners submitted that there was an amendment of the bye-laws of the Federation, by which bye-law No.11.2 was introduced which essentially modifies the composition of the Board of Directors. Respondent No.4 feeling aggrieved by the same, challenged the said amendment before the Hon'ble Minister in a Revision Application under Section 154 of the said Act. That Revision Application is pending before the Hon'ble Minister.

4. The learned counsel for the Petitioners points out that thus, the only issue before the Hon'ble Minister was about the legality and validity of the amendment to bye-law No. 11.2. It is pointed out that none of the parties had sought any direction under Section 78 of the said Act and the Hon'ble Minister acting *suo moto* has appointed the Administrator. Insofar as the expiry of the term of the present Board of Directors is concerned w.e.f. 21.05.2021, the learned counsel has placed reliance on the amendment as introduced in Section 73AAA of the said Act, by which on account of covid-19 pandemic, the election to Board of Directors of certain co-operative societies were postponed, which was last extended till 31.12.2021. He submitted that

therefore, the Board of Directors continued to have control of the Federation and therefore, the present petition is maintainable.

5. The learned counsel for the contesting Respondents and the learned AGP have submitted that Petitioners have no *locus standi* to challenge the said order. It is submitted that in any case, the tenure of the Board of Directors even on the saying of the Petitioner has come to an end on 31.12.2021, after which the existing Board of Directors have no locus to challenge the appointment of Administrator. It is submitted that there is no resolution of Board of Directors produced on record. The learned counsel for the Respondents also pointed out that Executive Director Mr. B.B. Chavhan has since resigned as per letter dated 21.02.2021 w.e.f. 01.03.2021. It is therefore, submitted that petition has otherwise become infructuous.

6. I have considered the submissions made. Admittedly, the tenure of the Board of Directors was to come to an end on 21.05.2021. Even as per say of the Petitioners, the tenure would continue upto 31.12.2021. Still as of today the Board of Directors would have no authority to challenge the said order. That apart, the petition does not show that it is supported by any resolution passed by the Board of Directors deciding to challenge the interim order dated 27.05.2021. The record also discloses that the Executive Director Mr. B.B. Chavhan who was appointed as

the Administrator has also resigned w.e.f. 01.03.2021. The signatories to the petition have also not shown any authority to file the petition on behalf of the Petitioner-Federation.

7. Needless to mention that this Court has not examined the issue about the legality and the validity of the amendment to bye-law No. 11.2 which aspect is pending in the Revision Application before the Hon'ble Minister.

In the result, the petition stands dismissed with no order as to costs. The interim relief stands vacated.

C.V. BHADANG, J.