

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.1287 OF 2022**

Sunita Balasaheb Bansode and Anr. ... Petitioners
versus
The State of Maharashtra and Ors. ... Respondents

Mr. Suryajeet P. Chavan i/by One Legal Bay LLP for Petitioners.
Mrs. V.S.Nimbalkar, AGP for Respondent Nos.1 and 2.
Mr. Siddhartha R. Ronghe for Respondent No.3.

CORAM: N.J.JAMADAR, J.

DATE : 6 APRIL 2023

P.C.

1. The challenge in this Petition is to an order dated 15 December 2021 passed by the Minister of State (Finance) in Appeal No.8 of 2018, whereby the appeal preferred by the Petitioners under Section 70 of the Chit Funds Act, 1982 (the Act of 1982) came to be dismissed, upholding the Award dated 20 May 2017 passed by the Registrar in Arbitration Application No.830 of 2015.

2. Respondent No.3 had preferred an Arbitration Application under Section 64 of the Act of 1982 before the Registrar. By an award dated 20 May 2017, the Registrar ordered the Respondents to pay a sum of Rs.84 lakhs to the Disputant along with interest @ 12% p.a. The opponents in the said Arbitration Application were also held liable to pay cost of Rs.1,000/-. Under the Award, the Opponent Nos.2 and 3 were held jointly and severally liable to pay a total sum of Rs.1,12,57,000/- to the

Disputant.

3. The Petitioners – Opponent Nos.2 and 3 challenged the said Award by preferring an Appeal under Section 70 of the Act, 1982 before the State Government. By the impugned order dated 15 December 2021, the Minister of State (Finance) dismissed the appeal. Being aggrieved, the Petitioners have invoked writ jurisdiction of this Court.

4. At the outset, the learned Counsel for the Petitioners submitted that the impugned order deserves to be quashed and set aside on the ground that it is unreasoned.

5. I have perused the impugned order. The Minister of State (Finance) has narrated the background facts, contentions of the Appellants and the contentions of Respondent No.1 and 3 herein and straight away proceeded to dismiss the appeal.

6. The learned AGP was not in a position to support the impugned order.

7. The learned Counsel for Respondent No.3 would, however, urge that the Petitioners had deliberately remained absent in the proceedings before the Registrar, despite multiple notices having been served on the Petitioners. However, before the appellate authority, the Petitioners took an incorrect stand that the notices of the arbitration application were not served on the Petitioners. In the circumstances, the impugned order does not deserve to be interfered with. An endeavour was also made to demonstrate that the impugned order contains reasons in clause 7 under the caption

‘contentions of Respondent No.1.’

8. I am afraid to accede to the aforesaid submissions. The impugned order singularly lacks reasons. The impugned order came to be passed in a proceeding which is in the nature of a statutory appeal. Reasons are stated to be the soul of the decision making process. In the absence of reasons, this Court is not in a position to appreciate the legality, propriety and correctness of the impugned order. The impugned order, therefore, deserves to be quashed and set aside and the matter is required to be remitted back to the appellate authority for afresh determination.

7. Hence, the following order :

ORDER

- (i) The Writ Petition stands allowed.
- (ii) The Impugned order dated 15 December 2021 in Appeal No.8 of 2018 passed by the Minister of State (Finance), State of Maharashtra, stands quashed and set aside.
- (iii) Appeal No8 of 2018 is restored to the file of the State Government.
- (iv) The State Government shall decide the said Appeal afresh after providing an effective opportunity of hearing and ascribing reasons as expeditiously as possible.
- (v) The parties shall appear before the State Government on 26 April

2023.

(vi) No separate notice be issued to the parties.

(vii) Ad-interim order granted granted by this Court shall continue to operate till the decision of the Appeal by the State Government.

(viii) The Writ Petition stands disposed.

(N.J.JAMADAR, J.)