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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

951 WRIT PETITION NO. 14041 OF 2025

**Bhagwat Murlidhar Patil And Another
VERSUS
The State Of Maharashtra
Through The Principal Secretary And Others**

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Mr. B.A. Chavan, Advocate for Petitioners
Mr. R.S. Wani, AGP for Respondents No.1 to 3
Mr. R.P. Karhade, Advocate h/f Mr. Vinod Patil, Advocate for
Respondents No.4 to 14

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**CORAM : SMT. VIBHA KANKANWADI AND
HITEN S. VENEGAVKAR, JJ.**

DATE : 25 NOVEMBER, 2025

PER COURT :-

1. Heard the learned advocate for the petitioners.
2. The challenge is to the order dated 07.08.2025 passed by respondent No. 2. The consequential prayer is to direct respondent No. 3 to proceed on the basis of the earlier test audit report submitted on 31.07.2024.
3. The petitioners contend that they are the founder members of Sahakar Mitra Chandrakant Hari Badhe Sir Urban Co-operative Credit Society Ltd. Varangaon, Taluka Bhusawal, District Jalgaon. It is stated that due to mismanagement the loans became unsecured and the

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society went into liquidation. Respondent No.2 had directed the inquiry to be conducted by way of audit on 02.09.2022 as per Section 81(3)(c) of the Maharashtra Co-operative Societies Act, 1960, which included examinations of at least 28 items mentioned in schedule-A. When the petitioners wanted to intervene, they were not allowed, and therefore, they approached this Court by filing writ petition No.12118 of 2023, in which directions were given by this Court. The petitioners also contend that they are the whistle blowers and on the complaint of the petitioners, the test audit has been directed. The audit report came to be submitted on 31.07.2024. However, respondent No. 3, by order dated 07.08.2025, cancelled the same. According to the petitioners, respondent No. 3 has no power to cancel the test audit report.

4. We have perused the entire order dated 07.08.2025. Reasons have been given for the cancellation, specially in paragraphs 12 to 15, and thereafter another Auditor has been appointed to conduct the test audit by invoking Section 81(3)(c) of the Maharashtra Co-operative Societies Act. It is necessary to have a proper audit report, and therefore it appears that respondent No. 3 has taken that decision. Hence, we are not inclined to set aside the impugned order dated 07.08.2025

5. Learned advocate for the petitioners therefore seeks withdrawal of the petition. However, he submits that in view of the order dated

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07.08.2025, a time limit of one month was given to the newly appointed Auditor to give his opinion, and that such time limit should be adhered to.

6. In fact, that time limit has been given in Section 81(3)(b) of the M.C.S. Act itself. If up till now such report has not been submitted, then we allow withdrawal of the petition with a direction that respondent No. 3 should get the said report within a period of one month from today.

7. With the aforesaid direction, the writ petition is disposed of as withdrawn.

[HITEN S. VENEGAVKAR]
JUDGE

[SMT. VIBHA KANKANWADI]
JUDGE