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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO.3580 OF 2024

Bhagwan Govind Nagarkar	... Petitioner
V/s.	
The Divisional Joint Registrar, Coop. Societies, Pune Division & Ors.	... Respondents

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Mr. Sudhir V. Sadavarte for the petitioner.

Mr. P.V. Nelson Rajan, AGP for respondent Nos.1, 2, &
and 11-State.

Mr. Sarang S. Aradhya with Ms. Gauri Velankar for
respondent Nos.5 to 10.

CORAM : AMIT BORKAR, J.

DATED : DECEMBER 8, 2025

P.C.:

1. This writ petition under Article 226 challenges the order dated 21 May 2014 by respondent No.1 which dismissed the revision filed by the petitioner. The revision contested the concurrent orders that upheld the liquidation of the petitioner society. I have heard counsel for all parties and examined the record.

2. The core controversy turns on two questions. First, whether the authorities under the Act considered the documentary material and the defence placed by the petitioner. Second, whether the finding of non-functioning of the society rested on a proper appreciation of facts and law.

3. The facts are not in dispute for present purposes. The society registered in 1961 purchased land in 1966. A revenue remark under Section 80(c) was recorded. The society challenged that remark and succeeded in this Court on 7 July 1997. The society's name appeared in the record of rights in 1999. A public notice by respondent Nos.5 to 10 prompted members to inquire in December 2000. The inquiry revealed an alleged fabricated resolution dated 14 August 1997 and an application to respondent No.2 for permission to sell. Permission was granted on 2 January 2001 and withdrawn on 15 December 2001 after police intervention and criminal complaint.

4. Proceedings before the Cooperative Court followed. The State passed liquidation orders in 2003. An appeal set aside the liquidation and directed elections in 2006. The Administrator held elections on 5 October 2006. The managing committee assumed charge. The petition records repeated AGMs between 2006 and 2010 and contends that procedure at those meetings was proper.

5. An inquiry under Section 89(a) resulted in a report by respondent No.3 dated 18 October 2010. On that basis respondent No.2 passed an interim order of liquidation dated 26 October 2010 and later a final order of liquidation. The petitioner furnished replies and documents before the Deputy Registrar. The petitioner contends that those documents established regular elections, handing over of charge, and subsequent AGMs. The petitioner further contends that the Deputy Registrar did not consider those documents and recorded a finding that no record was maintained.

6. Mr . Sadavarte, counsel for the petitioner emphasised three specific contentions. First, that the election of 2006 was valid and the managing committee functioned thereafter. Second, that minutes and proceeding books were in existence or were sought from the Administrator and that this fact was placed on record. Third, that respondent Nos.5 to 10 lack locus since they accepted the dismissal of their civil suit for specific performance and cannot maintain the present proceedings against the society in respect of the same subject matter.

7. The record supports the petitioner's emphasis that material was placed before the authority. The petitioner produced photocopies of meeting proceedings and AGM records and placed them on the file below. A party vested with statutory power must consider material produced in support of the defence. The failure to advert to such material goes to the root of fair adjudication. A finding that "no records are maintained" cannot stand where the opposite was shown by contemporaneous documents. The presence of documents does not automatically prove their sufficiency. However the first question is one of consideration. The record shows that the Deputy Registrar recorded a finding adverse to the society without addressing the documents filed. That omission vitiates the conclusion reached.

8. I now consider the applicability of the principles laid down by the Supreme Court in *Ravi Yashwant Bhoir v. Collector*, (2012) 4 SCC 407, to the issue whether respondent Nos.5 to 10 are necessary parties in the present writ petition. The Supreme Court explains that a complainant does not become an adversarial

litigant merely because he initiated a complaint. At paragraph 58, the Court states that the complainant “could not claim the status of an adversarial litigant”. A person may bring facts to the notice of the authority, but unless he possesses an independent legal right recognised in law, he cannot insist on participating as a party in every subsequent proceeding. The Supreme Court reiterates that a legal right must arise from law and that only a person suffering a legal injury may maintain proceedings. Mere harm or loss not amounting to injury in law will not confer locus. The principle of *damnum sine injuria* applies. At paragraph 59, the Court explains that the complainant must establish denial of a legal right or injury to a legally protected interest. If no such right is shown, the individual “cannot be heard as a party in a lis”. A fanciful grievance cannot create locus. The claim must rest on a legal grievance capable of adjudication. At paragraph 60, the Court further holds that under the guise of being a necessary party, a person cannot intrude with a remote or general interest. The Court emphasises that a person must show a proprietary or legally protected right that has been violated or is under threat. Without that foundation, he does not meet the description of an aggrieved person. Courts repeatedly hold that a person cannot be heard unless he shows a direct legal injury. The Supreme Court cites a long line of authorities recognising this rule. The Court also notes that tribunals should avoid allowing proceedings to become a venue for collateral or political disputes. At paragraph 61, the Supreme Court clarifies that even where a complaint initiates action, the complainant’s role is limited. His complaint may serve

as material to assist the authority in fact-finding. That alone does not entitle him to remain a contesting party in every stage of proceedings unless he shows a legal right under threat. Where the authority decides the matter on documentary material, the complainant need not remain in the process as a litigating party.

9. Applying these principles to respondent Nos.5 to 10, the following position emerges. Respondent Nos.5 to 10 rely on the fact that they were proposed purchasers and that permission to sell was once granted. That permission was withdrawn. They thereafter filed a civil suit for specific performance and failed. The decree dismissing their suit stands accepted by them. They thus have no continuing enforceable right under the agreement to sell. Their contractual claim perished in the civil proceedings. Once their civil claim ended, there remains no surviving proprietary right in their favour in respect of the property of the society.

10. In the cooperative proceedings they seek to defend, they have not shown any legal right that suffers injury by the decision on liquidation. Their earlier presence in administrative proceedings does not by itself confer a right to insist on being treated as necessary parties. The test is whether they possess a legally protected interest that is affected by the adjudication. They do not. The permitted sale, which was once granted, was withdrawn on 15 December 2001. The civil court rejected their claim to enforce the agreement. After that, they have no legal peg for a justiciable claim. The grievance they assert now is, at best, sentimental or remote. It is not a legal grievance.

11. On the record before this Court, the question in the writ petition is whether the authorities lawfully exercised power of liquidation after proper consideration of the petitioner's documents and defence. Determination of this issue has nothing to do with any surviving right of respondent Nos.5 to 10. Whether the society did or did not function is a matter between the society and the statutory authority. Respondent Nos.5 to 10 have no legal injury arising out of such finding. Their interest, if any, ended when their suit for specific performance was dismissed. After that dismissal, they cannot claim the status of adversarial litigants.

12. Their participation in earlier administrative stages may have been permissible because the authority examined the events surrounding the alleged sale. However, their presence in a fact-finding inquiry does not transform them into persons with a right to contest liquidation orders. The Supreme Court in *Ravi Bhoir* makes it clear that the complainant's role is limited. It cannot be expanded into a right to litigate in subsequent proceedings when no legal right of the complainant is under threat.

13. Thus, the ratio of *Ravi Bhoir* directly applies. Respondent Nos.5 to 10 cannot be regarded as necessary parties. They possess no enforceable legal right in the property. They suffer no legal injury from remand or reconsideration of liquidation. Their earlier complaint and their role in the abandoned sale transaction can at best act as material for the authority, but they cannot insist on being treated as adversarial litigants before this Court.

14. For these reasons, they do not meet the test of necessary parties for the present writ petition. Their presence is not required for complete and effective adjudication of the issues raised.

15. The State's case rests on the inquiry under Section 89(A) which recorded that the society had not functioned since 2006 until the order of liquidation. A finding of non-functioning is a classic jurisdictional fact. The authority must make such a finding on materials and should articulate reasons that show how the materials lead to the conclusion. The record in the present case supplies documentary evidence of AGMs and elections. The inquiry report and the Deputy Registrar's order do not traverse that material in the manner the statutory process requires.

16. The law requires that a statutory authority proceed on the basis of the record and give reasoned conclusions. The requirement is not formalistic. It entitles the affected party to understand why the authority reached the conclusion it did. Where a decision departs from documentary evidence, the authority must explain the basis for its disbelief or rejection. The absence of such explanation in this case compels intervention.

17. Procedural fairness also required that the petitioner be given effective opportunity to place its material and reply to the report. The record shows replies filed on 24 November 2010 and 8 December 2010. The authority's order does not demonstrate that those replies and the documents annexed were considered before recording the adverse conclusion. A mere recital of having received replies will not suffice. The authority must demonstrate

engagement with the substance of the defence.

18. I next consider the relevance and effect of the civil court's decision. The civil suit and the counterclaim were decided by the Civil Court. The society has appealed that dismissal. The pendency of the appeal does not preclude the cooperative authority from inquiring into the working of the society. What it does require is that the cooperative authority must be mindful of the concurrent judicial processes and take care not to rely on findings which the civil court alone was called upon to make unless those findings are already final and binding on the parties for the purposes of the statutory inquiry. The authorities below did not show such caution in addressing the civil proceedings and the effect of their dismissal.

19. On the question whether the society in substance ceased to function, the authority must examine specific facts. Relevant facts include: date of election and its declaration; handing over of charge; existence of minutes and proceeding book; holding of AGMs; appointment and functioning of office bearers; maintenance of account books; and active conduct of the society's business. The petitioner produced material on many of these points. The authority's finding that the society did not function since 2006 should rest on a balanced assessment of those factors. The present record does not disclose such assessment.

20. The appellate and revisional authorities also bear responsibility. A first instance error of omission or inadequate reasoning can be corrected on appeal or revision. The appellate authority must advert to the defects and either supply reasons on a

material matter or remit to the primary authority to decide after hearing and consideration. In this case the appellate and revisional orders simply affirmed the conclusion below without addressing the omission to consider the documentary material. That repeated omission compounds the procedural infirmity.

21. For these reasons, I find that the impugned orders suffer from a failure to consider material evidence and from inadequate reasoning on a jurisdictional fact. The consequence is that the orders cannot stand. Interference is necessary to secure a decision made in accordance with law and with procedural fairness.

22. The remedy appropriate here is limited. I do not finally determine whether the society functioned or not. That question requires fresh fact-finding based on the documents and explanations now on record. The correct course is to remit the matter to the first statutory authority for fresh consideration and decision. The authority must act on the materials already filed and any additional documentary proof the society may produce. The authority must record reasons for acceptance or rejection of each material category of evidence.

23. I, therefore, quash the impugned orders to the extent they rest on the unexamined conclusion that no records were maintained and on the absence of reasoned consideration of the documents produced by the petitioner. I set aside the order of liquidation only to the limited extent necessary to secure a fresh and lawful adjudication in the manner directed below.

24. I remit the matter to respondent No.2 for fresh consideration. The authority will proceed as follows. First, it shall place on the file the documents already filed before the Deputy Registrar and the copies now on record in this Court. Second, it shall issue notice to authorities who participated in the inquiry below and afford them an opportunity to be heard on the documents and on the report. Third, it shall examine each category of documentary material and state in the record why the material is accepted or rejected. Fourth, if the authority requires further documents, it may permit specific and limited production, subject to fair opportunity to the opposing parties to inspect and respond. Fifth, after such hearing and consideration the authority shall record a reasoned decision addressing whether the society has been functioning and whether liquidation under the Act remains justified.

25. The remand is confined to consideration of facts and reasoned decision-making. Nothing in this order prevents the authority from considering the report under Section 89(A) or other relevant material. The authority must confine itself to the materials and issues that the parties have fairly placed before it.

26. In sum, I allow the writ petition in part. I quash and set aside the impugned orders insofar as they rest on the failure to consider the petitioner's documentary evidence and insofar as they record a finding of non-functioning without adequate reasons.

27. I remit the matter to respondent No.2 for fresh consideration. The writ petition is, otherwise, disposed of.

28. There will be no order as to costs.

(AMIT BORKAR, J.)