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HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 1596 of 2021

Margdarshan Sansthan (Agriculture College Ambikapur) Through - Secretary, Premendra Pratap Singh, Aged About 42 Years, S/o Shri Mahendra Pratap Singh, Ring Road, Chopra Para, Ambikapur, District - Surguja Chhattisgarh.

--- **Petitioner**

Versus

1 - The State Of Chhattisgarh, Through The Secretary, Department Of Firms And Societies, New Mantralaya, Mahanadi Bhawan, Atal Nagar, New Raipur, District - Raipur Chhattisgarh.

2 - The Secretary, Department Of Agriculture, New Mantralaya, Mahanadi Bhawan, Atal Nagar, New Raipur, District Raipur Chhattisgarh.

3 - The Collector, District Surguja Chhattisgarh.

4 - The Registrar, Indira Gandhi Krishi Vishwavidyalay, Krishak Nagar, Raipur Chhattisgarh.

5 - The Registrar, Department Of Firms And Societies, New Mantralaya, Mahanadi Bhawan, Atal Nagar, New Raipur, District Raipur Chhattisgarh.

6 - The Assistant Registrar, Department Of Firms And Societies, Office At Composite Building, Collectorate Premises, Bilaspur, District Bilaspur Chhattisgarh.

7 - The Regional Manager, State Bank Of India, Regional Office, Ambikapur, District Surguja Chhattisgarh.

8 - The Branch Manager, State Bank Of India, City Branch - Ambikapur, District Surguja Chhattisgarh.

9 - Manvendra Pratap Singh (Died And Deleted) As Per Honble Court Order Dated 30-09-2026

--- Respondents

WPC No. 4874 of 2021

Margdarshan Sansthan A Society Registered Under The Societies Registrikaran Adhiniyam, 1973, Through- Its Secretary, Premendra Pratap Singh S/o Shri Mahendra Pratap Singh Aged About 44 Years, R/o Ring Road, Choprapara, Ambikapur District- Surguja (C.G.)

---Petitioner

Versus

1 - State Of Chhattisgarh Through- The Secretary, Department Of Commerce And Industries, Mantralaya, Naya Raipur, District Raipur (C.G.)

2 - Registrar Firms And Societies, Indravati Bhawan, Block-I, 3rd Floor, Atal Nagar, Naya Raipur (C.G.)

3 - Assistant Registrar Firms And Societies, Composite Building, IInd Floor, Surguja (C.G.)

4 – Inspector, Firms And Societies, Bilaspur Division, Composite Building, Bilaspur (C.G.)

5 – Auditor, Firms And Societies, Composite Building, IInd Floor, Surguja (C.G.)

6 - Shri Manvendra Pratap Singh (Died And Deleted) As Per Honble Court Order Dated 30-09-2026

... Respondents

(Cause-title taken from Case Information System)

For Petitioner (In WPC No.1596/2021)	**:**	Mr. A.N. Bhakta and Mr. Vivek Bhakta, Advocates
For Petitioner (In WPC No.4874/2021)	**:**	Mr. Sourabh Sharma, Advocate

For State	:	Mr. Anway Tiwari, Panel Lawyer
For Respondent No.4 (In WPC No.1596/2021)	:	Mr. D.N. Prajapati, Advocate
For Respondents No.7 & 8 (In WPC No.1596/2021)	:	Mr. P.R. Patankar, Advocate
For Intervenor	:	Mr. Gagan Tiwari, Advocate

Hon'ble Shri Amitendra Kishore Prasad, Judge

Order on Board

26.10.2026

1. Since common questions of fact and law are involved in both these writ petitions, they are clubbed together and are being decided by this common order.

2. For the sake of convenience, Writ Petition (C) No. 1596 of 2021 is taken as the lead case.

3. By filing the present writ petitions, the petitioner, namely, Margdarshan Sansthan, Ambikapur, has called in question the order dated 25.02.2021 (Annexure P/1), whereby its Current Account No. 35033300020 maintained with the State Bank of India, City Branch, Ambikapur, was placed under "Hold", and the order dated 18.11.2021 passed by the Registrar in Appeal Case No. 426/2021, titled *Margdarshan Sansthan v. Assistant Registrar and another*, whereby the appeal was partly allowed by setting aside the order dated 15.06.2020 passed by the Assistant Registrar, while directing an inquiry through a three-member

committee and entrusting the trustees/founder members with the day-to-day affairs of the society until resolution of the dispute.

4. The reliefs sought by the petitioner in W.P.(C) No. 1596 of 2021 are reproduced hereinbelow:-

> *"10.1 That the Hon'ble Court may kindly be pleased to call for the entire records of the case from the authorities concerned for its kind perusal.*
>
> *10.2 That, the Hon'ble Court may kindly be pleased to set-aside the order dated 25.02.2021 (Annexure P-1), issued by the Respondent No.08 i.e. the Branch Manager, SBI, City Branch, Ambikapur Distt. Surguja (C.G.) and on behalf of petitioner institution, the Secretary (Mr. Premendra Pratap Singh) as well as Principal (Mr. Sushil Srivastav) be permitted to operate the Current Agriculture Account No. 35033300020 (Maintained at SBI City Branch, Ambikapur), in the interest of justice.*
>
> *10.3 That the Hon'ble High Court may kindly be pleased to direct the concerned Respondents to compensate the petitioner institution, as the Hon'ble Court think just and proper, in the interest of justice.*
>
> *10.4 Any other relief, which this Hon'ble High Court deems fit and proper be also awarded.*"

5. The reliefs sought by the petitioner in W.P.(C) No. 4874 of 2021 are reproduced hereinbelow:-

“10.1 That, this Hon'ble Court may kindly be pleased issue writ/writs, order/orders, direction/directions quashing the impugned order dated 18.11.2021 (Annexure P/1) passed in Appeal Case No. 426/2021 between "Margdarshan Sansthan Vs. Assistant Registrar & another" holding that same is without authority of law and appellate court has exceeded its jurisdiction in passing the order impugned.

10.2 Any other relief which may deems fit may also be awarded along with cost of the petition.”

6. The facts of the cases, in brief, are that the petitioner, Margdarshan Sansthan, Ambikapur, is a society registered under the provisions of the Societies Registration Act, bearing Registration No. 373 dated 14.10.1992. The institution is engaged in imparting agricultural education and has been affiliated with Indira Gandhi Krishi Vishwavidyalaya, Raipur, since 2002. The petitioner-institution has been carrying on its educational activities since its registration. It is further pleaded that respondent No. 9 (since deceased) was earlier functioning as the Secretary of the petitioner-institution and tendered his resignation on 24.11.2016, which was accepted by the institution on 26.11.2016. Thereafter, in an emergency meeting held on 27.11.2016, Mr. Premendra Pratap Singh was unanimously appointed as the Secretary of the petitioner-society, along with the other office-bearers, including the President. The said appointment was subsequently approved

by respondent No. 6 vide order dated 04.12.2017. The petitioner further submits that, for ensuring transparency in the functioning of the institution, a resolution dated 10.12.2017 was passed providing for the operation of the bank account through the joint signatures of the Principal, Mr. Sushil Kumar Srivastav, and the Secretary, Mr. Premendra Pratap Singh.

7. The grievance of the petitioner in W.P.(C) No. 1596 of 2021 is that, without issuing any notice to the petitioner-institution or its office-bearers, the current account maintained with the State Bank of India, City Branch, Ambikapur, was placed under “Hold” vide order dated 25.02.2021. It is contended that the action has adversely affected the functioning of the institution, as the tuition fees deposited by the students could not be withdrawn or utilised for meeting essential expenses, including the provision of food, water, electricity and other basic facilities. The salaries of the teaching and non-teaching staff were also affected. Despite representations dated 20.02.2021 and 25.02.2021, followed by a legal notice dated 01.03.2021, the account was not made operational.

8. In W.P.(C) No. 4874 of 2021, the petitioner has challenged the order dated 18.11.2021 passed by the Registrar in Appeal Case No. 426/2021, titled *Margdarshan Sansthan v. Assistant Registrar and another*. By the said order, the appeal was partly allowed by setting aside the order dated 15.06.2020 passed by the Assistant

Registrar. However, the appellate authority directed an inquiry into the affairs of the society through a three-member committee comprising, inter alia, the Assistant Registrar and directed the committee to submit its report within three months, if possible. In the meantime, the trustees/founder members were directed to look after the day-to-day affairs of the society until the dispute was resolved.

9. Mr. A.N. Bhakta, learned counsel, along with Mr. Vivek Bhakta, learned counsel appearing for the petitioner in W.P.(C) No. 1596 of 2021, submits that the action of placing the current account of the petitioner-institution under “Hold” is arbitrary, illegal and without authority of law. He submits that the appointment of Mr. Premendra Pratap Singh as Secretary had already been approved by the competent authority vide order dated 04.12.2017, and the subsequent resolution dated 10.12.2017 provided for the operation of the account through the joint signatures of the Secretary and the Principal. Despite the subsistence of the approved arrangement, the bank account was placed under “Hold” without issuing any notice or affording any opportunity of hearing to the petitioner-institution or its office-bearers. Such action, according to learned counsel, is violative of Articles 14 and 21 of the Constitution of India.

10. Learned counsel further submits that the action impugned has seriously prejudiced the functioning of the educational institution

and has adversely affected the interests of the students as well as the teaching and non-teaching staff. He submits that the tuition fees deposited in the account could not be utilised for meeting the day-to-day expenses of the institution, including the payment of salaries and the provision of essential facilities to the students. Despite representations submitted by the President of the institution and the issuance of a legal notice, no effective action was taken to restore the operation of the account. Learned counsel, therefore, prays that the impugned order be set aside and appropriate directions be issued to enable the authorised office-bearers to operate the account in accordance with the resolution passed by the institution.

11. Mr. Sourabh Sharma, learned counsel appearing for the petitioner in W.P.(C) No. 4874 of 2021, submits that the order dated 18.11.2021 passed by the Registrar in Appeal Case No. 426/2021 is contrary to the provisions of the Chhattisgarh Societies Registration Act, 1973 (hereinafter referred to as the “Act of 1973”) and is liable to be set aside. He submits that, while deciding the appeal and setting aside the order dated 15.06.2020 passed by the Assistant Registrar, the Registrar exceeded the scope of appellate jurisdiction by constituting a three-member committee to conduct a fresh inquiry and by directing the trustees/founder members to take charge of the day-to-day affairs of the society pending resolution of the dispute. According to learned counsel, such directions have the effect of interfering with

the functioning of the duly constituted governing body, whose composition and appointment had already been approved by the competent authority vide order dated 04.12.2017.

12. Learned counsel further submits that the impugned order is contrary to Sections 32 and 40 of the Act of 1973. He contends that Section 32 prescribes the manner in which an inquiry into the affairs of a society may be conducted, either by the Registrar himself or by a person authorised by him, and does not contemplate the constitution of a three-member committee in the manner directed by the appellate authority. It is further submitted that the Assistant Registrar, who had passed the order dated 15.06.2020 and whose order was set aside in appeal, was subsequently made a member of the committee constituted to conduct the inquiry, thereby giving rise to a reasonable apprehension of bias. Learned counsel also contends that the Registrar could not have initiated proceedings on his own motion while exercising appellate jurisdiction under Section 40 of the Act of 1973, particularly when the statutory requirements for initiating proceedings under Section 32 had not been satisfied. On these grounds, learned counsel prays for quashing the impugned order dated 18.11.2021.

13. Per contra, Mr. Anway Tiwari, learned Panel Lawyer appearing for the State, opposes the submissions made by learned counsel for the petitioner and submits that the principal dispute involved in the

present matter is between the petitioner-institution and respondent No. 9, as both claim to hold the office of Secretary of Margdarshan Sansthan, Ambikapur. He submits that, owing to the rival claims regarding the management and authorised office-bearers of the society, the current account of the institution was placed under “Hold” vide order dated 25.02.2021, pending resolution of the dispute by the competent authority. Learned State counsel further submits that the petitioner has not sought any specific and substantive relief against the State respondents, nor has any specific allegation of illegality or arbitrary action been levelled against them. According to him, the controversy essentially concerns the internal affairs and management of the petitioner-society, particularly the rival claims to the post of Secretary, and the State respondents have no direct role in the said dispute.

14. Learned Panel Lawyer further submits that respondent No. 9, being a separate legal entity and one of the persons claiming the office of Secretary, is capable of defending his own interests in the matter. He contends that the issues raised in the writ petition can be effectively addressed by the parties directly involved in the dispute concerning the management of the society and the operation of its bank account. In the absence of any specific and effective relief sought against the answering respondents, the writ petition, insofar as it relates to the State respondents, deserves to

be dismissed. He, therefore, prays for dismissal of the writ petition against the State respondents.

15. Mr. D.N. Prajapati, learned counsel appearing for respondent No. 4, namely, the Registrar, Indira Gandhi Krishi Vishwavidyalaya, Krishak Nagar, Raipur, submits that the controversy raised in the present writ petition does not concern any dispute relating to the role or functioning of the University. He submits that the petitioner has referred to the affiliation of the institution with Indira Gandhi Krishi Vishwavidyalaya and the matters relating to agricultural education; however, the principal dispute in the present case concerns the rival claims of the petitioner and respondent No. 9 to the office of Secretary of Margdarshan Sansthan, Ambikapur. According to learned counsel, the said dispute is essentially between the petitioner-institution and respondent No. 9 and does not involve any substantive issue requiring adjudication against respondent No. 4.

16. Learned counsel for respondent No. 4 further submits that no specific or effective relief has been sought against the University and no adverse allegation has been levelled against it in relation to the impugned action of placing the bank account under “Hold”. He submits that the order dated 25.02.2021 was issued by the Branch Manager, State Bank of India, in the backdrop of the dispute concerning the management of the society and the authority to operate its bank account. In such circumstances, the

University has no direct role in resolving the inter se dispute between the rival claimants to the office of Secretary. He, therefore, submits that the writ petition, insofar as it relates to respondent No. 4, deserves to be dismissed.

17. Mr. P.R. Patankar, learned counsel appearing for respondents No. 7 and 8, namely, the State Bank of India, submits that the current account bearing No. 35033300020 is maintained in the name of Margdarshan Sansthan, Ambikapur, and that a dispute arose when the petitioner and respondent No. 9 asserted rival claims to the office of Secretary of the society and, consequently, to the authority to operate the said account. He submits that the Assistant Registrar, Firms and Societies, Surguja, vide communication dated 09.04.2019, had informed the bank regarding the alleged creation of a parallel managing society and the possibility of funds being withdrawn through unauthorised means. In view of the said communication and the subsisting dispute regarding the identity of the authorised office-bearers, the bank, vide communication dated 25.02.2021, placed the account under “Hold” until the dispute was resolved by the competent authority. Learned counsel submits that the bank took the said action in order to safeguard the funds of the institution and to ensure that the money deposited in the account was not withdrawn or misappropriated by any unauthorised person.

18. Learned counsel for respondents No. 7 and 8 further submits that the bank is merely the custodian of the funds deposited in the account and cannot independently adjudicate the rival claims concerning the management of the society or determine which of the competing claimants is legally entitled to operate the account. He points out that the petitioner had also challenged the order passed by the Assistant Registrar before the Registrar, Firms and Societies, in Appeal Case No. 426/2021, and that the appellate authority, vide order dated 18.11.2021, partly allowed the appeal and constituted a three-member committee to inquire into the dispute, while directing that the trustees/founder members would look after the day-to-day affairs of the society until the dispute was resolved. He further submits that the said appellate order has also been challenged in the connected writ petition, W.P.(C) No. 4874 of 2021, and both matters are pending consideration before this Court. The bank, therefore, undertakes to permit operation of the account in accordance with the directions issued by this Court regarding the person or persons authorised to operate the same.

19. I have heard learned counsel for the parties and perused the material available on record.

20. Upon perusal of the record in W.P.(C) No. 1596 of 2021, it appears that the principal grievance of the petitioner-institution is with regard to the order dated 25.02.2021, whereby its current account bearing No. 35033300020, maintained with the State

Bank of India, City Branch, Ambikapur, was placed under “Hold” on account of the dispute concerning the management of the society and the rival claims regarding the office of Secretary. The petitioner contends that the appointment of Mr. Premendra Pratap Singh as Secretary had already been approved by the competent authority vide order dated 04.12.2017 and that, pursuant to the resolution dated 10.12.2017, the bank account was to be operated jointly by the Secretary and the Principal of the institution. On the other hand, the bank has justified its action on the ground that, in view of the rival claims regarding the management of the society and the authority to operate the account, it was necessary to safeguard the funds of the institution until the dispute was resolved by the competent authority. Thus, the controversy concerning the operation of the bank account is intrinsically connected with the determination of the persons lawfully entitled to manage the affairs of the petitioner-society.

21. Further, upon perusal of the record in W.P.(C) No. 4874 of 2021, it transpires that the petitioner has challenged the order dated 18.11.2021 passed by the Registrar in Appeal Case No. 426/2021, whereby the appeal was partly allowed by setting aside the order dated 15.06.2020 passed by the Assistant Registrar, while directing an inquiry into the affairs of the society through a three-member committee. The appellate authority also directed that, until the dispute was resolved, the trustees/founder members would look after the day-to-day affairs of the society. The

petitioner has questioned the authority of the Registrar to issue such directions, particularly with reference to Sections 32 and 40 of the Act of 1973. The dispute, therefore, essentially concerns the legality of the directions issued by the Registrar and, more importantly, the determination of the persons entitled to manage and administer the affairs of the society in accordance with its bye-laws and the applicable statutory provisions.

22. Having considered the rival submissions advanced on behalf of the parties and the material available on record, this Court finds that the controversy involved in both the writ petitions cannot be effectively resolved without determination of the dispute concerning the management and administration of the petitioner-society by the competent authority. The operation of the bank account is consequential to such determination, as the bank cannot be expected to decide the rival claims regarding the authority to manage the society or operate its account. At the same time, the continued freezing of the account has the potential to affect the day-to-day functioning of the educational institution, including the payment of salaries and the provision of essential facilities to the students. Therefore, it would be appropriate to direct the competent authority to bring the dispute to its logical conclusion within a stipulated period, after affording due opportunity of hearing to all concerned persons.

23. Accordingly, considering the nature of the dispute involved in the present matters, the concerned Registrar, Firms and Societies, shall ascertain whether the inquiry contemplated under the order dated 18.11.2021 has been completed. If the inquiry has not yet been completed, the concerned authority shall ensure that the same is completed expeditiously, in accordance with law. Upon completion of the inquiry, and after considering the inquiry report, the existing members of the society, the relevant records, the bye-laws of the society and the claims of all persons concerned, the Registrar shall take an appropriate decision as to which persons are legally entitled to manage and administer the affairs of the society. The Registrar shall also determine, in accordance with the applicable statutory provisions and the bye-laws of the society, whether the existing members are entitled to continue managing the society or whether any other persons are legally entitled to undertake its management. Such determination shall be made by a reasoned order, after affording an adequate opportunity of hearing to all concerned parties, including the intervenor, whose claim arises from the subsequent appointment as Secretary of the society. The aforesaid exercise shall be completed within a period of 60 days from the date of receipt of a certified copy of this order.

24. Upon resolution of the dispute by the competent authority, the current account of the petitioner-institution, which has been placed under “Hold” by the State Bank of India, shall be permitted to be operated by the person or persons found legally entitled

thereto, in accordance with law and the decision taken by the competent authority. The bank shall act in conformity with such decision and the applicable legal requirements.

25. It is made clear that this Court has not expressed any opinion on the merits of the rival claims concerning the management of the society or the entitlement of any particular person to hold the office of Secretary. The competent authority shall independently consider the matter and take a decision strictly in accordance with law, uninfluenced by any observations made herein.

26. With the aforesaid observations and directions, both the writ petitions, being W.P.(C) Nos. 1596 of 2021 and 4874 of 2021, stand **disposed of**.

27. All pending interlocutory applications, if any, also stand disposed of.

28. There shall be no order as to costs.

Sd/-

(Amitendra Kishore Prasad)
Judge

Yogesh