IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 2180 OF 1993

VAIDYANATH URBAN CO-OPERATIVE BANK
THROUGH GENERAL MANAGER
VERSUS
VISHWANATH DHONDIBA KALE AND OTHERS
...
Advocate for Petitioner : Mr. A. N. Irapatgire.
Advocate for Respondent No.1 : Ms. Rekha Choudhari h/f.
Mr. S. S. Choudhari
...

CORAM : SACHIN S. DESHMUKH, J.

DATE : 23-10-2026

PER COURT:-

1. The petitioner-bank assails the judgment and order rendered by the Divisional Joint Registrar, Co-operative Societies, Aurangabad, allowing Revision Application No. 415 of 1993 presented by respondent No.1, upsetting the order of respondent No.2, Assistant Registrar, Co-operative Societies, Taluka Gevrai, District Beed, issuing the recovery certificate dated 28.04.1992 under Section 101 of the Maharashtra Co-operative Societies Act, 1960 (for short, "the Act").

2. The petitioner is a registered Co-operative Society. Respondent No. 1, an Advocate by profession, approached the bank for a loan of Rs.40,000/- to purchase law books and furniture. On 18.07.1987, the bank sanctioned a loan of Rs.20,000/-. Respondent No. 1 executed a promissory note, a deed of hypothecation, and a guarantee agreement. Resultantly, a sum of

Rs.19,500/- was disbursed via demand draft directly to the law-book supplier, Ashok Grover & Sons, and the books were subsequently delivered to respondent No. 1.

3. Respondent No. 1 failed to repay the monthly loan installments and interest in spite of repeated demand notices. The petitioner-bank initiated recovery proceedings under Section 101 of the Act. An initial recovery certificate dated 29.12.1991 was set aside in the earlier proceedings, with directions to hold a fresh inquiry after hearing both parties. After inquiry, the competent authority issued a Recovery Certificate under challenge.

4. Against the said recovery certificate, respondent No. 1 presented a revision application under Section 154 of the Act. The Divisional Joint Registrar allowed the revision application on 28.05.1993, setting aside the recovery certificate on the ground that the transaction was disputed and could not be resolved in a summary proceeding. Aggrieved by this revisional order, the petitioner-bank has preferred the present writ petition.

5. Mr. Irpatgire, learned counsel for the petitioner-bank, submits that respondent No. 1 had executed the promissory note and loan agreements, authorized the bank to credit the loan, and personally collected the demand draft issued in favor of the vendor. It is submitted that the execution of these documents creates a presumption of liability under Section 118 of the Negotiable

Instruments Act, 1881, and Section 114 of the Indian Evidence Act, 1872. Therefore, the revisional authority failed to consider the evidence in relation to the transaction. As such, the order under challenge is arbitrary and suffers from non-application of mind.

6. *Per contra*, the learned counsel for respondent No. 1 supports the order under challenge and contended that respondent No. 1 has raised disputes regarding the transaction, the execution of the documents, and the receipt of the books. It is submitted that such dispute cannot be adjudicated in summary proceeding under Section 101 of the Act. Hence, prayed to dismiss the petition.

7. Upon hearing the learned counsel for the litigating sides and perusal of the evidence on record. It is evident that the in the process of availing loan sanctioned by the petitioner bank, an agreement and promissory note were prepared for purchase of law books and the demand draft was issued in favour of the book seller. The said aspect is disputed by the respondent borrower.

8. It is a well-settled law that the summary procedure provided under Section 101 of the Act is meant for the speedy recovery of undisputed or easily determinable dues based on undisputed records.

9. In the present case, the petitioner-bank relies on the executed loan documents and the demand draft to establish debt.

Respondent No. 1 has raised disputes regarding the entire transaction and the receipt of the underlying goods. The revisional authority evaluated these conflicting facts and resultantly, concluded that the framework of Section 101 of the Act is inappropriate for resolving such contested findings of fact.

10. While setting aside the recovery certificate, the revisional authority expressly reserved the liberty of the petitioner-bank to establish its claim and seek recovery before an appropriate, competent forum. This Court finds that such liberty sufficiently protects the legal rights and financial interests of the petitioner-bank.

11. In view of the facts of the case, this Court is of the opinion that the order rendered by the Divisional Joint Registrar suffers from no jurisdictional error, perversity, or illegality. As such, no case has been made out by the petitioner-bank that warrants the exercise of the extraordinary or supervisory jurisdiction.

12. Accordingly, the Writ Petition is dismissed. Rule discharged.

13. There shall be no order as to costs.

14. Pending civil applications, if any, shall stand disposed of.

[SACHIN S. DESHMUKH]
JUDGE

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