IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 5911 OF 2026

WITH

INTERIM APPLICATION NO. 5104 OF 2026

IN

WRIT PETITION NO. 5911 OF 2026

Eknath Pandurang Sonawale **... Petitioner**

Versus

The State Of Maharashtra

Thro. The Secretary & Ors. **... Respondents**

Mr. Prashant V. Malik *for the Petitioner.*

Mr. V. M. Parkar *for Respondent No.4.*

Ms. S. D. Chipade, *AGP for Respondent-State.*

CORAM : SANDEEP V. MARNE, J.

DATE : 16 OCTOBER 2026.

P.C. :

1) By this Petition, Petitioner challenges Order dated 23 January 2026 passed by the Cooperative Commissioner and Registrar Cooperative Societies, Maharashtra State, Pune removing the name of the Petitioner from the panel of auditors.

2) I have heard Mr. Malik, the learned counsel appearing for Petitioner, Mr. Parkar, the learned counsel appearing for Respondent

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No.4 and Ms. Chipade, the learned AGP appearing for Respondent-State and have considered the submissions canvassed by them.

3) Perusal of Order dated 23 January 2026 would indicate that, while performing the audit of Navrang Cooperative Housing Society Ltd. Majiwada, Thane for the period of 2017-2022, the Petitioner noticed that an amount of Rs.2,23,436/- was spent by the society without any supporting bank vouchers and bills. Petitioner did not notice any receipts for payment of the said amount. Additionally, Petitioner also noticed that there were no supporting resolutions by the Managing Committee to spend the said amount. Petitioner also found that amount of Rs.36,130/- was spent in cash in absence of any vouchers and bills. Despite noticing these gross financial irregularities, the Petitioner only recommended conduct of enquiry under Section 83 of the Maharashtra Cooperative Societies Act, 1960 ("**the MCS Act**"). Under proviso to Section 81(5B) of the MCS Act, it is the duty of the auditor to file a specific report in the event he arrives at a conclusion that any person is guilty of an offence relating to the accounts. Section 81(5B) of the MCS Act provides thus:

> **81(5B)** The auditor shall submit [his audit report within a period of one month from its completion and in any case before issuance of notice of the annual general body meeting,] [Sub-sections (5A) and (5B) were inserted, by Maharashtra 10 of 1988, Section 43(e).] to the society and to the Registrar in such form as may be specified by the Registrar, on the accounts examined by him and on the balance sheet and profit and loss account as on the date and for the period up to which the accounts have been audited, and shall state whether in his opinion and to the best of his information and according to the explanation given to him by the society the said accounts give all information required by or under this Act and present the true and fair view of the financial transaction of the society.]:

> **Provided that,** where the auditor has come to a conclusion in his audit report that any person is guilty of any offence relating to the accounts or any other offences, he shall file a specific report to the Registrar within a period of fifteen days from the date of submission of his audit report. The Auditor concerned shall, after obtaining written permission of the Registrar, file a First Information Report of the offence. The auditor who fails to file First Information Report, shall be liable for disqualification and his name shall be liable to be removed from the panel of auditors and-he shall also be liable to any other action as the Registrar may think fit:

4) In the present case, the Registrar has arrived at a conclusion that the Petitioner has failed to perform statutory functions and did not file a specific report.

5) The learned counsel appearing for the Petitioner, during the course of his submissions was unable to comprehend the exact purpose for submission of specific report. If the Petitioner was oblivious of the provisions of Section 81 of the MCS Act, at least that he must suffer is the removal of his name from the panel of auditors.

6) Even otherwise, the impugned order does not result in a situation where, the Petitioner is rendered jobless. All that is done is the removal of his name from the panel of auditors. He is free to perform his role as an auditor otherwise than on the panel of the cooperative Registrar. No interference is therefore warranted in the impugned order. The Writ Petition is **rejected**.

7) In view of rejection of Writ Petition, nothing would survive in the Interim Application and the same stands **disposed of**.

[SANDEEP V. MARNE, J.]