MPBalekar

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 3188 OF 2026
WITH
WRIT PETITION NO. 3189 OF 2026

Shree Mahesh Co-Op. Bank Ltd.
Nashik … Petitioner

V/s.

State of Maharashtra and Ors … Respondents

Ms. R. Somani a/w Chetan A. Alai for the petitioner.

Mrs. V.R. Raje a/w M.S. Shrivastava, AGP for the State.

Mr. Gaurav Shah i/by Rachna Mamnani and Subhash Yadav for respondent No.4.

Mr. Prashant P. Kulkarni a/w Ritika Rajeev for respondent No. 5.

CORAM : AMIT BORKAR, J.

DATED : MARCH 16, 2026

P.C.:

1. The challenge raised in the present writ petitions arises from an order passed by the Revisional Authority in proceedings initiated under Section 101 of the Maharashtra Co-operative Societies Act, 1960. The original proceedings were instituted by the respondent Bank for recovery of its dues. Instead of deciding the revision on merits, the Revisional Authority chose to remand the matter back to the first authority. The reason stated for such remand is that the objections raised by the respondents, namely the borrowers and guarantors, were not properly considered by the first authority.

2. On careful consideration of the record, this Court finds that the approach adopted by the Revisional Authority is not correct in the facts of the present case. The purpose of a revisional jurisdiction is to examine the legality and correctness of the order passed by the authority below. When the entire record of the case was already before the Revisional Authority and detailed objections were placed on behalf of the borrowers and guarantors, it was open to the Revisional Authority to examine those objections and decide the revision application on its own merits. Merely sending the matter back to the first authority without undertaking such examination defeats the purpose of revisional scrutiny. Such remand also unnecessarily prolongs the dispute between the parties and causes avoidable delay in the adjudication of the bank's recovery proceedings.

3. It is also necessary to observe that the objections raised by the borrowers and guarantors were already part of the record before the Revisional Authority. Therefore, there was no legal impediment preventing the Revisional Authority from considering those objections. The revisional power carries with it the responsibility to examine whether the order of the first authority suffers from any legal error or procedural irregularity. In the present case, instead of undertaking such examination, the Revisional Authority simply directed a remand. In the opinion of this Court, such course was not warranted.

4. The impugned order also refers to a grievance regarding cross-examination and examination-in-chief. In the circumstances of the present case, such grievance does not appear to have any substance. Proceedings under Section 101 of the Maharashtra Co-operative Societies Act are summary in nature and are intended for speedy recovery of dues of the co-operative society. The procedure governing such proceedings is regulated by the statutory rules framed under the Act. Rule 86 does not confer any power upon the authorities under the Act to permit cross-examination of witnesses in the manner followed in regular civil trials. The legislative intent behind this procedure is clear. The recovery procedure provided under Section 101 is designed to operate with reasonable expedition so that the rights of the co-operative society are protected.

5. In view of this legal position, the observation made in the impugned order regarding the need for cross-examination cannot be sustained. The Revisional Authority ought to have confined itself to examining whether the order passed by the first authority is legally sustainable on the basis of the material already placed on record.

6. Considering the above aspects, this Court is of the view that the proper course would be to require the Revisional Authority to adjudicate the revision application on merits.

7. All contentions raised by the parties, whether by the Bank or by the borrowers and guarantors, are required to be examined by the Revisional Authority itself. The Revisional Authority shall consider the objections placed on record, examine the legality of the order passed by the first authority, and thereafter pass a reasoned order in accordance with law.

8. For these reasons, the impugned order cannot be sustained and deserves to be set aside. The revision application is therefore required to be restored to the file of the Revisional Authority for fresh consideration on merits.

ORDER

(i) The impugned order dated 6 January 2026 passed by the Divisional Joint Registrar, Co-operative Societies, Nashik Division is quashed and set aside.

(ii) The Divisional Joint Registrar shall decide Revision Application Nos. 229 of 2025 and 230 of 2025 on its own merits after giving opportunity of hearing to both sides.

(iii) The parties shall appear before the Revisional Authority on 30 March 2026 at 11.00 a.m.

(iv) The Revisional Authority shall decide the revision application within a period of two months from the date of appearance of the parties.

9. Both the writ petitions stand disposed of.

(AMIT BORKAR, J.)