Shabnoor

SHABNOOR AYUB PATHAN

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.1671 OF 2026

Ajaay Shyam Jajodia & Ors. … Petitioners
V/s.
The Deputy Registrar,
of the Cooperative Societies & Ors. … Respondents

INTERIM APPLICATION NO.1329 OF 2026
IN
WRIT PETITION NO.1671 OF 2026

Ajaay Shyam Jajodia & Ors. … Applicants
In the matter between:
Ajaay Shyam Jajodia & Ors. … Petitioners
V/s.
The Deputy Registrar,
of the Cooperative Societies & Ors. … Respondents

Mr. Karl Tamboly a.w Vikramjit Singh Garewal, Anmol Bartaria, Padmavatil V. Dubey i/b Sagar Deb, for the Petitioners.

Mr. P. V. Nelson Rajan, AGP, for the State – Respondent.

Mr. Surendra R. Yadav, for Respondent No.3.

CORAM : AMIT BORKAR, J.

DATED : FEBRUARY 17, 2026

P.C.:

1. The present petition calls in question a recovery certificate issued by the Registrar in exercise of powers under Section 154B-29 of the Maharashtra Cooperative Societies Act, 1960, directing the petitioners to pay an amount of Rs. 3,75,239 along with costs.

2. The principal ground urged by the petitioners is that in the Special General Body Meeting of Respondent No. 3 Society held on 23 February 2020, a resolution was passed to invite fresh tenders in view of escalation of the estimated cost from Rs. 43 lakh to Rs. 82 lakh. According to the petitioners, despite the said decision, the Managing Committee proceeded to execute the work on its own and incurred expenditure of Rs. 82 lakh, which amount is now sought to be recovered from the members. It is stated that out of 52 members, 14 members have not paid the amount, whereas the remaining members have contributed their respective share towards the repair work. The petitioners contend that the Managing Committee acted in clear violation of the provisions of the Act, the Rules and the Bye laws, as it had no authority to disregard the decision of the Special General Body. It is therefore submitted that the liability fastened upon all members is illegal and consequently no recovery could have been effected from the petitioners.

3. The learned Advocate appearing for the respondent Society submits that the petitioners, by their own communication, acknowledged the liability. It is therefore urged that they are estopped from disputing the same.

4. Upon consideration of the rival submissions, in my view, the defence sought to be raised by the petitioners cannot be accepted having regard to the nature and scope of jurisdiction exercised by the Registrar.

5. While exercising powers under Section 154B-29 of the MCS Act, the Registrar does not sit as a full fledged court to decide every kind of dispute between the society and its members. His task is limited. He has to see whether the amount claimed by the society is a society “due” and whether it flows from a decision taken either by the General Body or the Managing Committee and whether such demand is supported by the bye laws. The Act allows the society to recover its dues through a speedy mechanism so that day to day functioning of the society does not stop because some members refuse payment.

6. For this purpose the Act defines the word “dues.” Section 154B-1(12) states that dues mean the amount payable by a member or flat owner to the society, demanded by written bill or notice, and the demand must be traceable to the Act, Rules and bye laws. Therefore once the society issues a bill based on its governing framework, the Registrar only checks whether such bill exists and whether it has legal foundation in the society’s internal law. He does not decide complicated questions about correctness of the decision itself.

7. Section 154B-29 further shows the limited nature of this process. It permits only a summary enquiry. If the argument of the petitioners is to be accepted, the authority would have to examine the Special General Body resolution, compare it with the Managing Committee’s decision, determine whether the committee acted contrary to the General Body, and then decide whether the financial liability itself is illegal. That exercise requires evidence, interpretation of resolutions, and determination of rights between members and the society. Such issues fall squarely within a dispute under Section 91 of the MCS Act, which is tried like a regular case before the Cooperative Court. Even the question whether a managing committee resolution violates the Act cannot be examined in recovery proceedings. That also requires adjudication under Section 91.

8. The Registrar, while acting under Section 154B.29, therefore cannot convert the recovery proceedings into a dispute trial. His jurisdiction is confined to verifying the existence of dues, not testing the validity of the underlying decision in depth. If members believe the Managing Committee acted beyond authority, their remedy lies before the Cooperative Court and not in resisting recovery. For this reason, the defence taken by the petitioners was rightly rejected by the authorities. The Registrar committed no jurisdictional error. The writ petition is accordingly dismissed. No order as to costs.

9. As the writ petition itself stands disposed of, nothing remains to be considered in the interim application. The interim application is therefore disposed of.

(AMIT BORKAR, J.)