IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. ______ OF 2026
[SPECIAL LEAVE PETITION (C) NOs. 16144-16146 OF 2026]

TULSI BHAGWAN SHETTY & ANR. **Appellant (s)**

VERSUS

ABHYUDAYA CO OPERATIVE BANK LTD. & ORS. **Respondent(s)**

O R D E R

1. Leave granted.

2. These appeals arise out of the Judgment and order dated 27.01.2026 passed by the High Court in Writ Petition Nos. 4892, 4893 and 4319 of 2014 in exercise of its jurisdiction under Article 226 of the Constitution of India, whereby the High Court set aside the order passed by the Joint Registrar dated 18.07.2006 on the ground that the Revisional jurisdiction could not have been invoked because the pre-deposit as contemplated under Section 154(2A) of the Maharashtra Co-operative Societies Act, 1960 (in short, "MCS Act") has not been complied with.

3. Learned counsel for the appellants primarily submits that he had, at the earliest, i.e. on 15.10.2000 as well as on 10.11.2000, taken a plea that the Deed of Guarantee, alleged to be executed in the year 1998, is a forged document. This plea was not

considered by the Assistant Registrar, while passing order on 15.05.2002, and his order resulted in issuance of the Recovery Certificate dated 29.05.2002.

4. In the Revision Applications filed by the appellants being Revision Application Nos. 405 and 406 of 2002, the Joint Registrar accepted the contention relating to forgery. The relevant portion of the order passed by Joint Registrar is reproduced as under :-

> ***"This Authority has minutely perused all the documents on record. There is an Affidavit executed by the Opponent No.4 borrower dated 8.11.2000, wherein he has admitted the fact of the forged signature of the Applicants. The Opponent No.4 Borrower has himself admitted in writing that he has forged loan documents and signatures of the Applicants. Now, documents in writing given by the Opponent No.4 accepting the forgery has to be accepted in evidence, unless, contrary is proved and further silence of the bank on this point before this Authority clearly spell out and shows that there is substance in the contention of the Applicants that the loan documents of Term Loan of Rs.10 lack and further Cash Credit Loan of Rs.10 lack are forged by the Opponent No.4. Moreover, such loan documents cannot be prepared unless, barik is party for the same. The Opponent No.4 -borrower has also offered the property of his father to cover the entire loan dues. The said borrower has also accepted the whole liability by his letter dated 31.7.2000 addressed to the Applicant No.2: The Applicant should have given reasonable opportunity by the lower Authority. Moreover, the lower Authority should***

not have ignored such serious defence and allegations made by the Applicants. In view of the above observations, the proceedings before the lower Authority bearing No.994 of 2001 and 995 of 2001 filed under Section 101 of the M.C.S. Act against the Applicants in the capacity of guarantor are not tenable against the Applicants. The Recovery Certificate issued against the Applicants are required to be set aside.

On the pursuance of the Applicants, subsequently, the immovable property of father of the Opponent No.4 is mortgaged and said Mortgage Deed dated 5.10.2000 is on record. Perusal of the said Mortgage-Deed, shows that in said. Mortgage-Deed previous Term Loan of Rs. 5 lack and present loan of Cash Credit Rs.10 lacks and further Term Loan of Rs.10 lacks are mentioned. If the Applicants would have not persuaded the bank to execute the said Mortgage-Deed, the recovery of the huge loan amount would have been in danger.

In view of the above observations, the impugned Recovery Certificates issued against the Applicants needs to be set aside qua the Applicants. Hence, following order.

ORDER

Revision Application Nos. 405/2002 and 406/002) are hereby allowed.

The Recovery Certificates dated 15.5.2002, issued by the Opponent No. 1 in recovery proceedings bearing Application Nos.994 of 2001 and 995 of 2001 is hereby quashed and set aside qua the Applicants.

No order as to cost.”

5. In the writ petition filed by the respondents, the High Court set aside the above-referred order passed by the Joint Registrar on the ground that he would not have the jurisdiction to entertain the Revision Petition once the mandate of pre-deposit as contemplated under Section 154(2A) of the MCS Act is not complied with.

6. Having heard learned counsel appearing for the appellants and the respondents and having considered the matter in detail, we are of the opinion that the plea of fraud is not simply an argument without any basis. In fact, the Joint Registrar, the Revisional Authority, has examined the matter and gave his findings, which have been extracted hereinabove for ready reference.

7. In view of above, we are of the opinion that it is necessary for the Assistant Registrar to re-examine this issue by giving an opportunity to the appellants as well as the respondents. Thus, the orders passed by the Assistant Registrar dated 15.05.2002, the Joint Registrar dated 18.07.2006 as well as the order passed by the High Court dated 27.01.2026 are set aside and the cases are remitted back to the Assistant Registrar for reconsideration.

8. The Assistant Registrar of Cooperative Societies shall take up the application and dispose it off in accordance with law after giving an opportunity of

hearing to the appellants and the respondents. In view of the fact that the matter has been pending since 2000, we direct the Assistant Registrar to dispose of the petition within a period of two months from today.

9. Since the appellants are only the Guarantors, our determination is confined to their rights and liabilities.

10. We make it clear that we have not expressed any opinion on the merits of the matter as also on the plea of forgery taken by the appellants. It is for the Assistant Registrar to examine the matter in detail and arrive at his own conclusion.

11. With these observations, the civil appeals are disposed of.

12. Pending interlocutory application(s), if any, is/are disposed of.

…………………………………………………………….J.
[PAMIDIGHANTAM SRI NARASIMHA]

………………………………………………………...J.
[ALOK ARADHE]

NEW DELHI;
JULY 27, 2026.

ITEM NO.28 COURT NO.4 SECTION IX

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 16144-16146/2026

[Arising out of impugned final judgment and order dated 27-01-2026 in WP No. 4892/2014 27-01-2026 in WP No. 4893/2014 27-01-2026 in WP No. 4319/2014 passed by the High Court of Judicature at Bombay]

TULSI BHAGWAN SHETTY & ANR. Petitioner(s)

VERSUS

ABHYUDAYA CO OPERATIVE BANK LTD. & ORS. Respondent(s)

IA No. 136372/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 136376/2026 - EXEMPTION FROM FILING O.T.
IA No. 136378/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/ FACTS/ANNEXURES

Date : 27-07-2026 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) : Dr. Sushil Balwada, AOR
Mr. Vijay Sinh Salunkhe, Adv.
Mr. Vijay Kumar, Adv.
Mr. Vidhik Kumar, Adv.
Mr. Dhananjaya Kumar Tyagi, Adv.

For Respondent(s) : Mr. Rajeev Kumar Panday, Adv.
Mr. Shailesh Suman, Adv.
Mr. Rajeev Maheshwaranand Roy, AOR

Mr. Aaditya Aniruddha Pande, AOR
Mr. Siddharth Dharmadhikari, Adv.
Mr. Shrirang B. Varma, Adv.
Mr. Sourav Singh, Adv.
Ms. Chitransha Singh Sikarwar, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.

2. The civil appeals are disposed of in terms of the signed order.

3. Pending interlocutory application(s), if any, is/are disposed of.

(JAYANT KUMAR ARORA)
ASTT. REGISTRAR-cum-PS

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)