

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
C.P. No. D-3492 of 2024
[Syed Abdul Rehman v. Province of Sindh and others]
C.P. No. D-5058 of 2023
[State Bank of Pakistan Class IV v Province of Sindh and others]

Date	Order with signature of Judge(s)
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Before:
Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Zulfiqar Ali Sangi

Date of hearing and Order: 12.03.2026

Mr. Muhammad Vawda advocate for the petitioners in C.P No.D-3492 and advocate for the applicant/interveners in C.P No.D-5058/2023.

Mr. Waqas Wajid Wyne, advocate for the petitioner in C.P No.D-5058/2023 and advocate for respondent No.3 in C.P No.D-3492/2024.

Mr. Kazim Hussain Mahesar, advocate for respondent No.4 in C.P No.D-3492/2024

Mr. Abdul Jalil Zubedi, AAG

ORDER

Adnan-ul-Karim Memon, J. – The petitioners in C.P. No. D-3492 of 2024 submit that the respondents failed to perform their statutory duties under the *Sindh Cooperative Societies Act, 2020*, particularly Section 55(1) read with Rule 54(1), by not initiating action against Respondent No.3 despite serious allegations of mismanagement. They seek a direction for inquiry into the affairs of the society, submission of a report before this Court, holding of elections in accordance with law and bye-laws, appointment of an interim Managing Committee, and restraint against alienation of the society's properties and bank accounts. The petitioners in C.P. No. D-5058 of 2023 contend that after the promulgation of the *Sindh Cooperative Societies Act, 2020*, the respondents had no authority to initiate an inquiry under the *Sindh Cooperative Housing Authority Ordinance, 1982* or to appoint Respondent No.5 as Inquiry Officer. It is therefore prayed that the notification dated 04.09.2023 and notice dated 05.09.2023 be declared without lawful authority and the respondents be restrained from continuing the impugned inquiry, while directing the holding of elections in accordance with law.

2. Learned counsel for the petitioner in C.P. No. D-5058/2023 further submits that the society, established for Class-IV employees of the State Bank of Pakistan and allotted about 25 acres of land in Scheme-33, Karachi, had earlier faced an inquiry in 2014 which found no illegality. However, the authorities allegedly interfered in its affairs and appointed an Administrator without due process. It is argued that under the 2020 Act inquiries can only be conducted by the Registrar, yet the respondents again appointed an inquiry officer under the 1982 Ordinance shortly before scheduled elections in 2023.

3. Learned counsel for Respondent No.3 placed on record judgments and decrees of the learned Senior Civil Judge/Special Court for Cooperative Societies, Karachi Division, whereby the inquiry initiated by Respondent No.2 was set aside in 2024. Learned counsel for Respondent No.4 raised preliminary objections regarding maintainability, contending that the dispute relates to internal affairs of the society for which a statutory forum exists, and asserted that he is a bona fide purchaser of Plot No. PB-1 through public auction.

4. After arguing the matter at some length, both parties expressed confidence in learned AAG Mr. Abdul Jalil Zubedi to be appointed as Administrator/Commissioner/Election Officer to conduct elections of the M/s State Bank Clause-IV Cooperative Housing Society Ltd., Karachi, within two months. The proposal so put forward seems to be reasonable and has been acceded to.

5. Without touching the merits of the case and without expressing any opinion on the allegations and counter-allegations raised by the parties at the initial stage, this Court notes that the principal controversy in both petitions ultimately revolves around the proper administration of the affairs of the society and, in particular, the holding of lawful elections for the Managing Committee under the Sindh Cooperative Societies Act, 2020 and the Rules framed thereunder. The statutory scheme of the Act emphasizes democratic governance of cooperative societies through duly elected managing committees and provides a complete framework for the conduct of elections, maintenance of members' records, and supervision by the Registrar.

6. In the present matter, the record reflects that disputes between the members and the managing committee, as well as the challenge to the inquiry proceedings, have created a situation where the normal electoral process of the society could not be carried out in a transparent and uncontested manner. At the same time, learned counsel for the parties have fairly stated that the core grievance of the petitioners can effectively be addressed if elections are conducted in a lawful and transparent manner so that the affairs of the society are placed in the hands of a duly elected body.

7. In these circumstances, and keeping in view the statutory objective of the Sindh Cooperative Societies Act, 2020 to ensure democratic management of cooperative societies, this Court considers it appropriate to adopt a pragmatic course that restores the representative structure of the society rather than entering into disputed questions of fact at this stage. The parties have also jointly proposed and consented to the appointment of a neutral person to supervise the electoral process. Such a course would not prejudice the rights of any party and would

serve the larger interest of the members of the society by ensuring that its affairs are managed by an elected body in accordance with law.

8. Accordingly, in the interest of justice and to give effect to the statutory scheme governing cooperative societies, this Court deems it appropriate to facilitate the conduct of elections under the supervision of an independent officer so that the democratic process within the society may be restored and the management of its affairs may thereafter be carried out by a duly elected Managing Committee strictly in accordance with the provisions of the Sindh Cooperative Societies Act, 2020, the Rules framed thereunder, and the approved bye-laws of the society.

9. For these reasons, the appointment of a neutral Administrator/Commissioner/Election Officer as proposed by the parties to conduct elections is considered the most appropriate course to resolve the present controversy and to ensure compliance with the statutory framework governing cooperative societies. However, the parties shall extend full cooperation to the Commissioner/Election Officer and shall not interfere in the election process in any manner. Meanwhile, the election officer shall decide ancillary issues affecting the genuine voters/allotees of the society solely for the purpose of conducting the election and no transactions with regard to the sale and purchase of the plots shall take place. The fee of Mr. Abdul Jalil Zubedi is fixed at Rs. 300,000/-, payable in advance by the parties.

10. With these directions, these petitions, along with pending application(s) stand disposed of.

JUDGE

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