

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
Constitutional Petition No. D-147 of 2026
(M/s Pir Ilahi Bux Cooperative Housing Society Ltd. versus Province of Sindh & others)

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

Date of hearing and order:-04.2.2026

Mr. Zayyad Khan Abbasi advocate for the petitioner
Mr. Ali Safdar Depar AAG along with
Sadam Hussain Assistant Registrar Co-operative Society

ORDER

Adnan-ul-Karim Memon, J. – Petitioner has filed this Constitutional Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, with the following prayer: -

- 1. Declare that the Impugned Order No. RCS/KYC/424/2025 Dated 26.12.2025, passed by Respondent No.2, is illegal, ultra vires, contrary to law, Act-2020, Bye-Laws of the Society, Rules, 2020, as such having no legal effects.*
- 2. Declare that the impugned order has been passed by the Respondent No.2 without jurisdiction and that too without having the prerequisite as contemplated in Section 55(2) of the Sindh Cooperative Societies Act, 2020.*
- 3. Declare that for initiating inquiry U/S 55(1) of the Sindh Cooperative Housing Societies Act, 2020, the Respondent No.2 is under a legal obligation to follow the prerequisite as provided in Section 55(2) of the Act, 2020, which is mandatory.*
- 4. Suspend the operation of the impugned Order No.RCS/KYC/424/2025 Dated 26.12.2025 till final disposal of the instant Petition.*

2. The case of the Petitioner, *Pir Ilahi Bux Cooperative Housing Society*, is that the society is one of the oldest cooperative housing societies in Karachi, registered in 1948 under Registration No. S-506. It is submitted that the Society is located in Pir Ilahi Bux Colony, Karachi East, named after Pir Ilahi Bux, a prominent leader of the Pakistan Movement and former Chief Minister of Sindh. The Society has historically provided residential plots and housing to refugees who migrated to Karachi after independence. Its affairs are managed by an elected Managing Committee in accordance with its Bye-Laws, the Sindh Cooperative Societies Act, 2020, and the Rules framed thereunder. It is submitted that the Society owns approximately 138.93 acres of land as per the revised layout plan approved by KMC in 1991, reduced from the original 186 acres due to the exclusion of katchi abadis, parks, and infrastructure projects. One portion of land

measuring about 4,312 sq. yards has historically been reserved as a bus stop, which was operational from 1954 to around 2001. Over time, the plot became encroached upon by abandoned vehicles, vendors, and later criminal elements, creating serious law-and-order issues for residents.

3. It is urged by the learned counsel for the petitioner that upon repeated complaints by members, and after extensive correspondence with public authorities, the Society, with the assistance of the Assistant Commissioner, Jamshed Quarters, successfully removed encroachments in October 2025. It is added that in a joint meeting with concerned officials on 7 October 2025, it was agreed to rehabilitate the plot for public use. To prevent future encroachments, the Managing Committee resolved on 9 October 2025 to construct a boundary wall around the bus stop plot, without entering into any joint venture or commercial activity. He emphasized that a transparent tender process was initiated, and a contractor was lawfully appointed. The Petitioner's counsel contends that Respondent No. 4, a politically affiliated individual and resident of the Society, opposed these actions as he sought commercialization of the bus stop plot. Upon refusal by the Managing Committee, Respondent No. 4 initiated complaints against the Society. Subsequently, Respondent No. 2/ Registrar Cooperative Societies passed Impugned Order No. RCS/KYC/424/2025 dated 26-12-2025, appointing Respondent No. 3 as Inquiry Officer under Section 55(1) of the Sindh Cooperative Societies Act, 2020, to inquire into the affairs of the Society. He argued that the Petitioner challenges the impugned order as illegal, without jurisdiction, and void ab initio, contending that Section 55 does not permit a *suo motu* inquiry by the Registrar unless initiated upon requisition by the Society, majority of the Managing Committee, or one-third of the members, none of which existed in the present case. The Petitioner's counsel further alleges mala fide intent, violation of statutory safeguards, and abuse of authority. He prayed to allow this petition.

4. In response, Respondents No. 1, 2, and 3 assert that the inquiry was initiated lawfully based on complaints received from a Member of Provincial Assembly and residents of the constituency, forwarded by the Additional Deputy Commissioner (East), concerning illegal construction on a reserved bus stop plot. However, the Respondents maintain that the inquiry was ordered to protect the interests of society members and to ascertain the factual position. They also deny allegations of bias, lack of jurisdiction, and procedural illegality, and pray that the Petitioner be directed to cooperate with the Inquiry Officer to facilitate the determination of the truth. Learned AAG is of the same view and prayed for dismissal of the petition against the inquiry, which needs to be culminated to its logical conclusion in accordance with law.

5. Heard learned counsel for the parties present in court and perused the record with their assistance.

6. The pivotal question requiring determination is whether the Registrar Cooperative Societies was/is legally competent to order an inquiry under Section 55(1) of the Sindh Cooperative Societies Act, 2020, in the absence of any requisition by the Society itself, a majority of the Managing Committee, or one-third of the members.

7. A plain reading of Section 55(1) reveals that the power of inquiry is not unfettered. The statute prescribes specific triggering mechanisms, namely: (i) a requisition by the society, (ii) a majority of the managing committee, or (iii) not less than one-third of the members of the society. The provision does not vest suo motu powers in the Registrar to initiate an inquiry merely on the basis of complaints received from third parties or political office-holders. Where the legislature intends to confer suo motu jurisdiction, it does so explicitly; its absence is deliberate and must be respected.

8. In the present case, it is an admitted position that no requisition was made by the Society, no resolution was passed by the Managing Committee, nor was any request made by one-third of the members. Prima facie, the impugned order is founded solely upon complaints forwarded by administrative authorities and a Member of the Provincial Assembly. Such material, howsoever concerning, cannot substitute the statutory pre-conditions mandated by law.

9. It is a settled principle that administrative authorities must act strictly within the four corners of the statute. Any action taken in excess of jurisdiction is void ab initio and carries no legal sanctity. It is well settled that statutory functionaries cannot assume powers not expressly conferred upon them by law.

10. Furthermore, cooperative societies are autonomous democratic institutions, governed by their bye-laws and elected bodies. Excessive or unwarranted, it is also settled that supervisory powers of the Registrar must be exercised sparingly, fairly, and strictly in accordance with law, and not in a manner that stifles the independence of cooperative institutions.

11. The record further reflects that the Managing Committee's decision to construct a boundary wall was taken through a formal resolution, following removal of encroachments with the assistance of civil administration, and was aimed at preventing criminal activity and safeguarding land reserved for public use. No prima facie material has been produced to demonstrate that the Society entered into any commercial venture or acted in violation of its bye-laws. Mere allegations, without fulfillment of statutory prerequisites, cannot justify initiation of coercive proceedings.

12. It is equally well-settled that mala fide exercise of power, or action taken for an ulterior motive, renders the order vulnerable to judicial review. It is also settled that discretionary powers exercised for collateral purposes or under external influence are liable to be struck down.

13. While this Court is mindful that allegations relating to misuse of cooperative property must be examined where lawfully warranted, ends do not justify means. An inquiry ordered in violation of statutory safeguards cannot be sustained merely on the ground of public interest. Law must prevail over expediency.

14. In view of the foregoing discussion, this Court is persuaded to hold that the impugned order dated 26-12-2025 has been passed without lawful authority and jurisdiction, in violation of Section 55(1) of the Sindh Cooperative Societies Act, 2020, and is therefore void ab initio.

15. Accordingly, this petition is allowed. The impugned order bearing No. RCS/KYC/424/2025 dated 26-12-2025 is hereby set aside. However, it is clarified that this shall not preclude the Registrar Cooperative Societies from taking action strictly in accordance with law, if the statutory conditions prescribed under Section 55 are duly fulfilled in the future.

16. Pending applications, if any, stand disposed of.

JUDGE

JUDGE