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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

901 WRIT PETITION NO.14250 OF 2018

**MACHINDRA BABURAO GORDE AND OTHERS
VERSUS
UNION OF INDIA AND OTHERS**

...
Mr L. H. Kawale, Advocate h/f Mr K. J. Suryawanshi, Advocate
for petitioners;
Mr D. G. Nagode, Standing Counsel for respondent No.1;
Mr S. R. Yadav-Lonikar, A.G.P. for respondent Nos.2 to 6

**CORAM : RAVINDRA V. GHUGE
AND
S. G. MEHARE, JJ.**

DATE : 28th September, 2021

PER COURT:

1. By this petition, the petitioners have put forth prayers at
Clause (C) and (D) below paragraph 28 as under :

“C) By issuing writ of mandamus or any other writ,
order or direction in the like nature, the respondents
no. 1 to 5 may kindly be directed to attached and sale
the properties of respondents No.7 to 18 and to pay the
claim of the petitioners.

D) The respondent no. 1 to 3 may kindly be directed
to make an inquiry about the fraud and mischp played
by the respondents no. 8 to 18 in the affairs of
respondent no. 7 society and to fix the liability of
amount against them.”

(2)

2. We have considered the submissions of the learned Advocates for the respective sides advanced on 07/09/2021, 20/09/2021 and today.

3. The learned A.G.P. places before us a compilation of documents (16 pages), which is taken on record and collectively marked as “X-1” for identification. On the basis of the documents and the instructions received, he submits that the District Collector, Beed has issued an order appointing the Sub Divisional Officer, to initiate steps for taking charge of the properties, which eventually may have to be liquidated so as to satisfy the depositors. It is further informed that such steps have already been taken and almost about 32 properties have been identified under the Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (for short “the MPID Act”).

4. The learned Advocate for the petitioners submits that though the State appears to have initiated steps under the MPID Act, it will have to be the provisions of the Multi-State Co-operative Societies Act, 2002 (for short “the 2002 Act”) to be applied to this case since a liquidator can be appointed under Section 89 below Chapter X, providing for “WINDING UP OF

MULTI-STATE CO-OPERATIVE SOCIETY”.

5. We find that there is a complete procedure prescribed under Chapter X of the 2002 Act, by which, the Central Registrar can conduct an audit under Section 70 or a special audit under Section 77 or an inquiry under Section 78 or an inspection to be made under Section 79 and expresses an opinion that the society deserves to be wound up. Liberty of hearing to the society has to be afforded. By following the procedure as is prescribed, Section 89 enables the Central Registrar, after making an order under Section 86 for the winding of the Multi-State Co-operative Society, to appoint a liquidator for the purpose.

6. We find that Chapter X sufficiently empowers the authorities to ensure the liquidation of the assets of a society, which has been wound up and the disposal of the proceeds of the auction sale as well as disposal of surplus sale proceeds. The aggrieved depositors are required to move their applications, setting forth their claims, to the liquidator, who will deal with the said claims and accordingly satisfy the said claims through the proceeds post liquidation, subject to the guidelines of the Reserve Bank of India.

7. It is undisputed that the liquidator, who was appointed, has declined to take charge.

8. In view of the above this writ petition is disposed off with the following directions :-

(a) As the liquidator appointed earlier has declined to take charge and the Central Registrar is empowered under Section 89 (Chapter X) of the 2002 Act to appoint a liquidator by following the procedure from Section 83 onwards, we direct the Central Registrar to appoint another liquidator in his place, on or before 30/10/2021;

(b) The newly appointed liquidator shall immediately commence the liquidation proceedings;

(c) The petitioners before us and all similarly situated persons who are not before us, would be at liberty to put forth their claims before the liquidator, in accordance with law.

(S. G. MEHARE, J.)

sjk

(RAVINDRA V. GHUGE, J.)