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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

PUBLIC INTEREST LITIGATION NO. 76 OF 2004

Janseva Sangh ... Petitioner

V/s.

The State of Maharashtra and Ors. ... Respondents

**WITH
PUBLIC INTEREST LITIGATION NO. 2 OF 2004**

The Maharashtra Lok Hakka Samittee ... Petitioner

V/s.

Kalpvrksha Marketing Pvt. Ltd. ... Respondents

**WITH
PUBLIC INTEREST LITIGATION NO. 114 OF 2003**

Mohan Digambar Chavare and Ors. ... Petitioners

V/s.

The State of Maharashtra and Ors. ... Respondents

**WITH
CIVIL APPLICATION NO. 1487 OF 2004
IN
PUBLIC INTEREST LITIGATION NO. 114 OF 2003**

Shree Saijyoti Samajit Sanstha ... Applicant

V/s.

Mohan Digambar Chavare and Ors. ... Respondents

**WITH
PUBLIC INTEREST LITIGATION NO. 179 OF 2004**

Dattatraya Bapurao Mali and Ors. ... Petitioners

V/s.

The State of Maharashtra and Ors. ... Respondents

None for the Petitioners/Applicant

Ms. V.R. Raje, Addl.G.P. for Respondent Nos. 1 to 9 in PIL 76/2004, for Respondent No.19 in PIL 2/2004, for Respondent Nos. 1 to 3 in PIL 114/2003 and PIL 179/2004

**CORAM : ALOK ARADHE, CJ. AND
SANDEEP V. MARNE, J.**

DATE : 26 JUNE 2025

Order (Per Chief Justice) :

1. For the facility of reference facts in PIL No. 76 of 2004 are being referred to.
2. In these Public interest Litigations, the Petitioners, inter-alia, seek a direction to the Respondents to take necessary and appropriate steps and action against Respondent No.10 – Company under the provisions of the Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (for short MPID Act) against Respondent No.10.
3. The Petitioner is an Association which represents large number of investors/depositors of Respondent No.10 – Kalpavriksha Marketing Pvt. Ltd. Company (hereinafter referred to as Company). The members of the Petitioner had deposited their funds with the said Company which is duly registered under the provisions of Companies Act, 1956. Respondent Nos. 11 to 17 are the Directors of the Company.

4. Till the month of June 2003, the investors regularly got the maturity amount at the time of the maturity of the certificates issued by the said Company against the investment made by an individual. However, in the month of June 2003, the business of the Company crumbled and the investors did not get the maturity amount in time. The amount due to the members of the Petitioner – Association as well as the investors in general were not paid to them on due date. The members of the Petitioner thereupon made inquiries and learnt about the fraudulent and illegal activities of the Directors of the Company which also got published in several newspapers.

5. The State Government has enacted the MPID Act. The object of the Act is to secure the interest of the poor depositors/investors. Fraud is alleged to have been committed by the Directors of the Company which was brought to the notice of Respondent Nos. 1 to 3. However, it is complained that no action was taken. The Division Bench of this Court by an interim order dated 20 November 2003 passed in PIL No.14 of 2003 had directed the Competent Authority to file the reply disclosing the steps taken against the Company and its Directors to protect the interest of the depositors.

6. The learned Addl. Govt. Pleader on instructions submits that the property belonging to the Company as well as the Directors is attached. It is further submitted that constitutional validity of the Act was challenged

before the Supreme Court. It is also submitted that on account of the interim order passed by the Supreme Court in Special Leave Petition, no action is taken against the Director. The Special Leave Petition has been dismissed and the Respondent shall take an appropriate action against the Directors of Company. The aforesaid submission is placed on record.

7. In view of the aforesaid submission, no useful purpose would be served by keeping these Petitions pending. Accordingly, the same are disposed of with the directions to Respondent Nos. 1 to 3 to take appropriate steps against the Respondent No.10 – Company and its Directors for recovery of the amount due to the investors under the provisions of the MPID Act. Needless to observe that the action which is to be taken against the Company and the Directors shall be taken in accordance with the provisions of the MPID Act expeditiously, if not already taken.

8. Accordingly, the Public Interest Litigations and Civil Application are disposed of.

(SANDEEP V. MARNE, J.)

(CHIEF JUSTICE)