



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

910 WRIT PETITION NO.777 OF 2026

Shripati Uttamrao Ghule And Others

VERSUS

Special Recovery Officer Lokmangal Multi State Co Op Society Ltd And Ors.

...
Mr. Rahul Tambe, Advocate h/f Mr. Sanjay S. Dudhane, Advocate for the Petitioners.
...

**CORAM : SMT. VIBHA KANKANWADI &
HITEN S. VENEGAVKAR, JJ.**

DATE : 09 APRIL 2026

ORDER :

. Heard learned Advocate for the petitioners. The petitioners are challenging the notice of recovery dated 02.08.2026 issued by respondent No.1 under Section 97 and Rule 37 (3) of the Multi-State Cooperative Societies Act, 2002. According to the learned Advocate for the petitioners, the petitioners are admitting that they have taken loan and the amount was outstanding. Thereafter, arbitration award came to be passed. It was put to execution before the learned District Judge-1, Bhoom. However, on 22.01.2025, a pursis came to be filed on behalf of the Decree holder Company at Exhibit-71 contending that proceedings for confiscation is going on and, therefore, the Company does not want to proceed with the matter. Therefore, in view of the pursis Exhibit-71, the

execution proceedings came to be disposed of as withdrawn. Thereafter, now, it is stated that the impugned notices have been issued. Learned Advocate for the petitioners submits that once respondent No.1 has initiated proceedings under the Arbitration and Conciliation Act, the Company cannot resort to the Multi-State Cooperative Societies Act for recovery. The petitioners were ready to deposit the amount, however, they wanted installment and such fact was placed before the arbitrator as well as executing Court. Taking into consideration the point that is required to be gone into, we grant stay to the operation and execution of the impugned notice of recovery dated 02.08.2025, subject to deposit of amount of Rs.25,00,000/- (Rs. Twenty Five Lakh Only) in this Court on or before 04.05.2026.

2. Issue notice to the respondents, to be made returnable on 06.05.2026.

3. We make it clear that the deposit of amount is condition precedent and in case of failure on the part of the petitioners to deposit the said amount on or before 04.05.2026, the action in the form of dismissal of the petition may also be taken on 06.05.2026.

[HITEN S. VENEGAVKAR]
JUDGE

[SMT. VIBHA KANKANWADI]
JUDGE

scm