HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 723/2026

Kala Chauhan Wife Of Jay Singh Chauhan, Aged About 67 Years, Resident Of 28, Rohat House, Omnkar Nagar, Gokhle Lane, Civil Lines, Ajmer-305 001.

----Petitioner

Versus

1. State Of Rajasthan, Through The District Collector- Ajmer, Situated At Collectorate, Ajmer (Rajasthan).
2. Office Of The Liquidator- Adarsh Credit Co Operative Society Limited, Through The Liquidator, Situated At 14, Vidhya Vihar Colony, Opp. Hotel Fortune, Usmanpura, Ashram Road, Ahemdabad (Gujarat).
3. Office Of The Central Registrar Of Cooperative Societies, Through The Central Registrar And Additional Secretary, Situated At 900, 9Th Floor, Tower E, World Trade Centre Nauroji Nagar, New Delhi-110 029.

----Respondents

Connected With

S.B. Civil Writ Petition No. 11480/2025

Ashapurna Hotels Pvt. Ltd. @ Ashapurna Infra Project Pvt. Ltd., A Company Registered Under The Provisions Of Companies Act 1956 Having Registered Office At Flat No.101, Vardhman Complex, Bhopalpura, Udaipur (Raj) 313001 Through Its Authorized Signatory Shri Harsh Sharma S/o Shri V.k. Sharma

----Petitioner

Versus

1. Official Liquidator, Shri H.s. Patel Adarsh Credit Cooperative Society Limited (Accsl), 14, Vidyavihar Colony, Usmanpura, Ashram Road, Ahemdabad.
2. The District Collector, Jaipur Collectorate, Collectorate Circle, Banipark Jaipur
3. The Central Registrar, Multi State Cooperative Society, New Delhi, Ministry Of Cooperation, Atal Akshay Urja Bhawan, Cgo Complex, Behind Nia Building, New Delhi - 110003

----Respondents

S.B. Civil Writ Petition No. 11999/2025

Ashapurna Hotels Pvt. Ltd. @ Ashapurna Infra Project Pvt. Ltd., A Company Registered Under The Provisions Of Companies Act 1956 Having Registered Office At Flat No.101, Vardhman Complex, Bhopalpura, Udaipur (Raj) 313001 Through Its Authorized Signatory Shri Harsh Sharma S/o Shri V.k. Sharma

----Petitioner

Versus

1. Official Liquidator,shri H.s. Patel Adarsh Credit Cooperative Society Limited (Accsl), 14, Vidya Vihar Colony, Usmanpura, Ashram Road, Jaipur
2. The District Collector, Jaipur Collectorate, Collectorate Circle, Banipark Jaipur
3. The Central Registrar, Multi State Cooperative Society, New Delhi, Ministry Of Cooperation, Atal Akshay Urja Bhawan, Cgo Complex, Behind Nia Building, New Delhi - 110003
4. Enforcement Directorate Through Its Deputy Director, Jyothi Nagar, Lalkothi, Jaipur, Rajasthan 302007.

----Respondents

S.B. Civil Writ Petition No. 12000/2025

Ashapurna Hotels Pvt. Ltd. @ Ashapurna Infra Project Pvt. Ltd., A Company Registered Under The Provisions Of Companies Act 1956 Having Registered Office At Flat No.101, Vardhman Complex, Bhopalpura, Udaipur (Raj) 313001 Through Its Authorized Signatory Shri Harsh Sharma S/o Shri V.k. Sharma

----Petitioner

Versus

1. Official Liquidator,shri H.S. Patel Adarsh Credit Cooperative Society Limited (Accsl), 14, Vidya Vihar Colony, Usmanpura, Ashram Road, Jaipur.
2. The District Collector, Jaipur Collectorate, Collectorate Circle, Banipark Jaipur
3. The Central Registrar, Multi State Cooperative Society, New Delhi, Ministry Of Cooperation, Atal Akshay Urja Bhawan, Cgo Complex, Behind Nia Building, New Delhi - 110003
4. Enforcement Directorate, Through Its Deputy Director,

Jyothi Nagar, Lalkothi, Jaipur, Rajasthan 302007

----Respondents

S.B. Civil Writ Petition No. 12001/2025

Ashapurna Hotels Pvt. Ltd. @ Ashapurna Infra Project Pvt. Ltd., A Company Registered Under The Provisions Of Companies Act 1956 Having Registered Office At Flat No.101, Vardhman Complex, Bhopalpura, Udaipur (Raj) 313001 Through Its Authorized Signatory Shri Harsh Sharma S/o Shri V.k. Sharma

----Petitioner

Versus

1. Official Liquidator, Shri H.s. Patel Adarsh Credit Cooperative Society Limited (Accsl), 14, Vidya Vihar Colony, Usmanpura, Ashram Road, Jaipur.
2. The District Collector, Jaipur Collectorate, Collectorate Circle, Banipark Jaipur
3. The Central Registrar, Multi State Cooperative Society, New Delhi, Ministry Of Cooperation, Atal Akshay Urja Bhawan, Cgo Complex, Behind Nia Building, New Delhi - 110003
4. Enforcement Directorate Through Its Deputy Director, Jyothi Nagar, Lalkothi, Jaipur, Rajasthan 302007.

----Respondents

S.B. Civil Writ Petition No. 13572/2025

Riddhi Siddhi Infraprojects Pvt. Ltd., Through Its Authorised Signatory Sh. Shubham J. Bharagva, Having Its Registered Office At Corporate Tower, Rsgs The Universe Campus, Hiran Magri Extension, Opposite Sector-9, Udaipur (Rajasthan).

----Petitioner

Versus

1. State Of Rajasthan, Through The District Collector- Ajmer, Situated At Collectorate, Ajmer (Rajasthan).
2. Office Of The Liquidator, Adarsh Credit Co Operative Society Limited Through The Liquidator, Situated At 14, Vidhya Vihar Colony, Opp. Hotel Fortune, Usmanpura, Ashram Road, Ahemdabad (Gujarat).
3. Office Of The Central Registrar Of Cooperative Societies, Through The Central Registrar And Additional Secretary,

Situated At 900, 9Th Floor, Tower E, World Trade Centre Nauroji Nagar, New Delhi - 110 029.

4. Enforcement Directorate Through Its Director, Office At Second Floor, Jeevan Nidhi-Ii, Lic Building, Bhawani Singh Road, Jaipur-302005.

----Respondents

S.B. Civil Writ Petition No. 13578/2025

Riddhi Siddhi Infraprojects Pvt. Ltd., Through Its Authorised Signatory Sh. Shubham J. Bharagva, Having Its Registered Office At Corporate Tower, Rsgs The Universe Campus, Hiran Magri Extension, Opposite Sector-9, Udaipur (Rajasthan).

----Petitioner

Versus

1. State Of Rajasthan, Through The District Collector- Ajmer, Situated At Collectorate, Ajmer (Rajasthan).
2. Office Of The Liquidator- Adarsh Credit Co Operative Society Limited, Through The Liquidator, Situated At 14, Vidhya Vihar Colony, Opp. Hotel Fortune, Usmanpura, Ashram Road, Ahemdabad (Gujarat).
3. Office Of The Central Registrar Of Cooperative Societies, Through The Central Registrar And Additional Secretary, Situated At -900, 9Th Floor, Tower E, World Trade Centre Nauroji Nagar, New Delhi - 110 029.
4. Enforcement Directorate, Through Its Director, Office At Second Floor, Jeevan Nidhi-Ii, Lic Building, Bhawani Singh Road, Jaipur-302005

----Respondents

For Petitioner(s)	:	Mr. Sandeep Singh Shekhawat with Mr. Akshay Dutt Sharma in CWP Nos.723/2026, 13572/2025 and 13578/2025 Mr. Shantanu Sharma, Mr. Parth Vashishtha and Mr. Aditya Doda in CWP No.11480/2025, 11999/2025, 12000/2025 and 12001/2025
For Respondent(s)	:	Mr. C.S. Sinha with Mr. Mayank Kamwar and Mr. Dev Yadav for respondent No.1 and 3

Mr. Akshay Bhardwaj with
Ms. Ashmita Sharma and
Mr. Mohit Kumar Soni for ED in CWP No.11999/2025, 12000/2025, 12001/2025, 13572/2025 and 13578/2025

HON'BLE MR. JUSTICE GANESH RAM MEENA

Order

Reportable

Arguments concluded on	:::	February 13, 2026
Reserved on	:::	February 13, 2026
Pronounced on	:::	February 26, 2026

1. Since the controversy and the issue involved in all the seven writ petitions is common, hence, all these seven petitions are being decided by a common order.

Facts of SBCWP No. 723/2026:

2. The facts borne out from the pleadings are that the petitioner claims that he lawfully purchased parcel 53/132th share of land ad-measuring 6.02000 hectares (for short 'the subject property') situated at Khasra Nos. 1931, 1932, 1933, 1937 and 1938 at Village Kayad, R.I. Gangwana, Tehsil & District Ajmer by way of a registered sale deeds which were executed on 08.02.2019, 13.02.2019, 15.02.2019, 10.09.2015, 01.02.2016 and 09.05.2016. Since acquisition, the petitioner has remained in peaceful, continuous and lawful possession of the land with all requisite legal formalities including mutation, payment of taxes and compliance with applicable laws duly fulfilled.

In connection with multiple criminal investigations initiated against the founders and directors of the Adarsh Credit Cooperative Society Limited (for short 'the ACCSL') by agencies including the Rajasthan Police, Enforcement Directorate (ED) and Serious Fraud Investigation Office (for short 'the SFIO'), several properties alleged to be proceeds of crime, were provisionally attached by the ED. However, the petitioner's property was neither said to have been attached nor implicated in any such proceedings.

Despite the above, the Official Liquidator appointed under Section 89 of the Multi-State Cooperative Societies Act, 2002 (for short 'the Act of 2002') issued an attachment order dated 18.12.2025. The Liquidator is already pursuing separate legal proceedings for restoration of ED-attached properties before the competent court.

The petitioner submitted objections and detailed representations to the concerned authorities asserting her ownership and highlighting legal infirmities in the attachment, which remained unconsidered.

<u>Facts of SBCWP No. 11480/2025:</u>

3. The brief facts of the case are that the petitioner-Ashapurna Hotel Pvt Ltd. is said to have purchased a land bearing Plot No. 4-C-7, Indira Gandhi Nagar, Jagatpura, Jaipur, measuring 4992 sq. meters (for short 'the subject property') in the year 2007 through auction from Rajasthan

Housing Board and executed the sale deed in the year 2008. Subsequently, in year 2011 a loan by sanctioned by ACCSL which has no nexus with the purchase or title of the said property. Despite this, respondent no. 1 has sought to attach the property in question vide impugned order of attachment dated 20.06.2025, acting beyond the scope of powers under Multi State Cooperative Societies Act 2002 and without following the due process or affording any opportunity of hearing in gross violation of principle of natural justice. The petitioner has submitted detailed objection which remained unconsidered.

Facts of SBCWP No. 11999/2025:

4. Facts of the case in nutshell are that the petitioner is said to have lawfully purchased the land bearing Khasra No. 168, Village Chamanpura, Patwar Halka: Lalwar, District Jaipur, measuring 5.10 Bigha (for short 'the subject property') in the year 2007. Subsequently, in year 2011 a loan by sanctioned by ACCSL which has no nexus with the purchase or title of the said property. Despite this, respondent no. 1 has sought to attach the property in question vide impugned order of attachment dated 20.06.2025, acting beyond the scope of powers under Multi State Cooperative Societies Act 2002 and without following the due process or affording any opportunity of hearing in gross violation of principle of natural

justice. The petitioner has submitted detailed objection which remained unconsidered.

<u>Facts of SBCWP No. 12000/2025:</u>

5. The facts of the case in brief are that the petitioner is said to have lawfully purchased a land bearing Khasra No. 175, Village Chamanpura, Patwar Halka: Lalwar, District Jaipur, measuring 3.8 Bigha (for short the subject property') in the year 2007. Subsequently, in year 2011 a loan by sanctioned by ACCSL which has no nexus with the purchase or title of the said property. Despite this, respondent no. 1 has sought to attach the property in question vide impugned order of attachment dated 20.06.2025, acting beyond the scope of powers under Multi State Cooperative Societies Act 2002 and without following the due process or affording any opportunity of hearing in gross violation of principle of natural justice. The petitioner has detailed objection which submitted remained unconsidered.

<u>Facts of SBCWP No. 12001/2025:</u>

6. The facts of the case in brief are that the petitioner is said to have lawfully purchased a land bearing Khata No.54, Village Chamanpura, Patwar Halka: Lalwar, District Jaipur, measuring 13.5 Bigha (for short 'the subject property') in the year 2008. Subsequently, in year 2011 a loan by sanctioned by ACCSL which has no nexus with the purchase or title of the said property. Despite this, respondent no. 1

has sought to attach the property in question vide impugned order of attachment dated 20.06.2025, acting beyond the scope of powers under Multi State Cooperative Societies Act 2002 and without following the due process or affording any opportunity of hearing in gross violation of principle of natural justice. The petitioner has submitted detailed remain objection which remained unconsidered.

Facts of SBCWP 13572/2025:

7. The facts of the case in brief are that the ptitioner is said to have lawfully purchased parcel of land ad-measuring 467 yards including portion of Plot No.10, situated at In-front of Central Jail, Near Board of Secondary Education Office, Jaipur Road, District Ajmer (for short 'the subject property), by way of a registered sale deed which was executed and registered on 29.05.2009. Since acquisition, the petitioner has remained in peaceful, continuous and lawful possession of the land with all requisite legal formalities including mutation, payment of taxes and compliance with applicable laws duly fulfilled.

In connection with multiple criminal investigations initiated against the founders and directors of ACCSL by agencies including the Rajasthan Police, Enforcement Directorate (ED) and Serious Fraud Investigation Office (SFIO) several properties alleged to be proceeds of crime were provisionally attached by the ED. However, the

Petitioner's property was neither attached nor implicated in any such proceedings.

Despite the above, the Official Liquidator appointed under Section 89 of the Multi-State Cooperative Societies Act, 2002 issued an impugned attachment order dated 21.07.2025 including the Petitioner's property within the ambit of the liquidation process and the Liquidator is already pursuing separate legal proceedings for restoration of ED-attached properties before the competent court.

The petitioner submitted objections and detailed representations to the concerned authorities on 06.08.2025, asserting its ownership and highlighting legal infirmities in the attachment, which remained unconsidered.

Facts of SBCWP No. 13578/2025:

8. The facts of the case in nutshell are that the petitioner is said to have lawfully purchased a parcel of land ad-measuring ad-measuring 12674.02 sq. yards situated at Khasra No. 503/2 and 504/2, Village Pushkar, Tehsil & District Ajmer (for short ‘the subject property’), by way of a registered sale deed which was executed on 12.11.2007 as well as the same was registered on 12.03.2008. Since acquisition, the petitioner remained in peaceful, continuous and lawful possession of the land with all requisite legal formalities including mutation, payment of taxes and compliance with applicable laws duly fulfilled.

In connection with multiple criminal investigations initiated against the founders and directors of ACCSL by agencies including the Rajasthan Police, Enforcement Directorate (ED) and Serious Fraud Investigation Office (SFIO) several properties alleged to be proceeds of crime were provisionally attached by the ED. However, the petitioner's property was neither attached nor implicated in any such proceedings.

Despite the above, the Official Liquidator appointed under Section 89 of the Multi-State Cooperative Societies Act, 2002 issued an impugned attachment order dated 21.07.2025 including the Petitioner's property within the ambit of the liquidation process and the Liquidator is already pursuing separate legal proceedings for restoration of ED-attached properties before the competent court.

9. Learned counsels appearing for the petitioners submitted that the impugned orders of attachment regarding petitioners own property having no nexus with the Society, are without jurisdiction of the Liquidator. It is submitted by the counsels appearing for the petitioners that the properties in question in all these writ petitions are beyond the assets of ACCSL in respect of which an order of winding up has been made and the Liquidator has been appointed as the properties have not been purchased with the funds or loans alleged to have been advanced by the ACCSL. It is further

submitted that the land in question, which is the subject matter in CWP No.11999/2025, was purchased on 31.10.2007, whereas the loan was borrowed on 23.02.2011 i.e. after four years of the purchase of the land and in such circumstances it cannot be said that the land has been purchased with siphoned funds of the ACCSL. It is also submitted by the counsels appearing for the petitioners that one of the petitioner namely; Kala Chauhan (in CWP No. 723/2026) has never borrowed loan from the ACCSL. It is submitted that the property was purchased by her with her own funds and there is no evidence as regards the connection of the purchase of the land in question and the funds of the ACCSL. It is further submitted that Section 90(1) of the Act of 2002 does not include the properties alleged to have been purchased from the Multi-State Cooperative Society funds. The said section covers only the assets of Multi-State Cooperative Societies which is in its name. It is also submitted by the counsels appearing for the petitioners that no provision under the Act of 2002 provides for attachment of any property which is not in the name of the Society and in that situation the Liquidator appointed on winding up of the Society has also no authority to attach such properties. It is also submitted that the properties which are subject matters in these petitions have no nexus with the loans or funds of the Society.

10. Learned counsels appearing for the petitioners submitted that if at all the Liquidator can show any connection of the property in question that the funds or loans of the Society then he was having remedy to initiate the suit proceedings as provided under Rule 28 of the Multi-State Cooperative Societies Rules, 2002 (for short 'the Rules of 2002'), wherein the limitation of three years has been provided from the date of appointment of the Liquidator. Since the limitation period has already lapsed, the Liquidator has adhered to the illegal proceedings by issuing attachment orders though he has no authority to issue the attachment orders. It is also submitted that in the impugned attachment orders the Liquidator has directed the concerned District Collector and the Urban Development Authority to carry out the mutation of the land in question and transferred the land in question in the name of Liquidator- ACCSL and has further ordered that the Tehsildar and the Sub-Registrar shall not register any document without permission of the Liquidator-ACCSL. Such order of the is wholly illegal, arbitrary and beyond his jurisdiction. It is submitted by them that a property can be transferred from one individual to other by way of procedure provided under the Transfer of Property Act or by way of auction or allotment provided under any law. It is also submitted by the counsels appearing for the petitioners that the arbitration proceedings are pending, still

the Liquidator has gone beyond his jurisdiction and passed the impugned attachment orders. It is also submitted by the counsels appearing for the petitioners that as per SFIO report, loan was advanced to 186 companies / firms/ associates/ APOs by the ACCSL amounting to Rs. 25,82,41,11089.72. Counsels appearing for the petitioners also submitted that the provisions of the Act of 2002 and the Rules of 2002 provide for legal remedy of filing a suit for any claim but the respondents have no faith in judicial proceedings and have acted in an illegal and arbitrary manner and issued the impugned attachment orders without jurisdiction.

11. Counsel appearing for the respondents submitted that as regards the impugned attachment orders, the petitioners have an alternative, efficacious statutory remedy of an appeal as provided under section 99 of the Act of 2002. He also submitted that on conjoint reading of provisions of sections 89, 90(2)(b) and 95 of the Act of 2002 empowers the Liquidator to attach the properties which are alleged to have been purchased with the siphoned of ACCSL. Counsel further submitted that the provision of section 95 of the Act of 2002 provides that every order passed by the Liquidator shall be executed according to the law for the time being in force for recovery of arrears of land revenue and in view of the provisions of sections 256 and 228 of the Rajasthan Land

Revenue Act, 1956 (for short 'the Act of 1956') the impugned orders of attachment are just and proper and do not suffer from any illegality. He also submitted that along-with the counter affidavit submitted in SBCW P.No. 11999/2025, the respondents have placed on record the loan sanction orders in the name of one Mr. Mahendra Kumar Tak without completion of the formalities required, which show that the loan was obtained from the siphoned of the Society. Counsel also submitted that the Society has also issued reminder notices for the outstanding loans on 29.06.2018 to M/s. Ashapurna Infra Projects Private Limited and it was specifically mentioned that the legal proceedings would be drawn in case the said firm fail to repay the loan amount. He also submitted that there is no method or procedure provided under the law to recover the loan. Learned counsel appearing for the respondents has also submitted that the Rule 28(d) of the Rules of 2002 is in two parts; firstly, the Multi-Story Cooperative Societies can institute a suit so as to recover all all the sums and properties; and, secondly, the Liquidator may proceed in other way, whichever he thinks proper and the Liquidator has chosen the second one and there is no illegality committed by him.

12. Considered the submissions made at Bar and also gone through the material placed on record.

13. One of the objection raised by the counsel appearing for the respondents is that the petitioners are having an alternative statutory remedy of an appeal under section 99 of the Act of 2002, the present writ petitions deserve to be dismissed.

14. By filing these writ petitions the petitioners have challenged the attachment orders passed by the Liquidator. The Liquidator has also directed the Revenue Authorities to carry out the mutation of the land in question and transfer the name of the Liquidator- ACCSL in place of the petitioners and has also directed the other authorities not to register any document without prior permission of the Liquidator- ACCSL.

15. It is a well settled principle of law in catena of judgments delivered by the Hon'ble Apex Court that in certain exceptional circumstances such petitions under Article 226 of the Constitution of India can be entertained against any impugned order for which an appeal is also provided under the Statute. It has been settled that in cases where there is gross violation of principles of natural justice apparent on record and so also if the impugned attachment orders are without jurisdiction or by an authority not competent to issue the same, the writ can be entertained even though there may be an alternative statutory remedy available. On perusal of the impugned attachment orders, the Liquidator of the

ACCSL appointed by the Government of India before issuing such attachment orders has not issued any show-cause notice or allowed any opportunity of hearing to the petitioners. It is a fact on record that the land in question in all the petitions is not in the name of the ACCSL and therefore, any order regarding any land which is not in the name of the ACCSL, the Liquidator of the ACCSL has no authority without issuing any show cause notice or allowing an opportunity of hearing to the petitioners.

16. The Hon'ble Apex Court in the case of ***Radha Krishan Industries v. State of Himachal Pradesh & Ors., reported in (2021) 6 SCC 771,*** has laid down certain principles as regards the writ jurisdiction in cases where there is a statutory remedy. Paras 27 and 28 of the said judgment are relevant, which are quoted as under:-

> "***27.*** *The principles of law which emerge are that:*
>
> ***27.1.*** *The power under Article 226 of the Constitution to issue writs can be exercised not only for the enforcement of fundamental rights, but for any other purpose as well.*
>
> ***27.2.*** *The High Court has the discretion not to entertain a writ petition. One of the restrictions placed on the power of the High Court is where an effective alternate remedy is available to the aggrieved person.*
>
> ***27.3.*** *Exceptions to the rule of alternate remedy arise where : (a) the writ petition has been filed for the enforcement of a fundamental right protected*

by Part III of the Constitution; (b) there has been a violation of the principles of natural justice; (c) the order or proceedings are wholly without jurisdiction; or (d) the vires of a legislation is challenged.

27.4. *An alternate remedy by itself does not divest the High Court of its powers under Article 226 of the Constitution in an appropriate case though ordinarily, a writ petition should not be entertained when an efficacious alternate remedy is provided by law.*

27.5. *When a right is created by a statute, which itself prescribes the remedy or procedure for enforcing the right or liability, resort must be had to that particular statutory remedy before invoking the discretionary remedy under Article 226 of the Constitution. This rule of exhaustion of statutory remedies is a rule of policy, convenience and discretion.*

27.6. *In cases where there are disputed questions of fact, the High Court may decide to decline jurisdiction in a writ petition. However, if the High Court is objectively of the view that the nature of the controversy requires the exercise of its writ jurisdiction, such a view would not readily be interfered with.*

28. *These principles have been consistently upheld by this Court in Chand Ratan v. Durga Prasad [Chand Ratan v. Durga Prasad, (2003) 5 SCC 399], Babubhai Muljibhai Patel v. Nandlal Khodidas Barot [Babubhai Muljibhai Patel v. Nandlal Khodidas Barot, (1974) 2 SCC 706] and Rajasthan SEB v.*

Union of India [Rajasthan SEB v. Union of India, (2008) 5 SCC 632] among other decisions."

17. As per the provisions of Section 90(1) of the Act of 2002, only the assets of a Multi-State Cooperative Society in respect of which an order of winding up has been made, shall vest in the Liquidator appointed under section 89 of the Act of 2002. At the time of appointment of the Liquidator for the ACCSL, the properties in question in these petitions were not in the name of the ACCSL. Until and unless the Liquidator able to prove that the property has been purchased by the loan amount advanced by the ACCSL, he cannot claim any right over the said property as a property of the ACCSL.

In view of the above, the preliminary objection of alternative remedy of an appeal raised by the counsel appearing for the respondents, is not sustainable.

18. From the submissions made by the counsels appearing for the parties and the pleadings, the material questions require to be considered are:-

A. Whether the property in question, which is not in the name of the ACCSL, for which the Liquidator has been appointed under section 89 of the Act of 2002 vests with the Liquidator without even proving that the same has been purchased by the funds of the ACCSL?

B. Whether the property in question which is not in the name of the ACCSL on the date of appointment of the

Liquidator is included under the assets as referred in Section 90(1) of the Act of 2002?

C. If the property in question is not in the name of the ACCSL at the time of appointment of the Liquidator, whether the Liquidator has an authority to issue the attachment order claiming that the property in question has been purchased with the loans/ siphoned of the ACCSL or has to file a suit as provided under Rule 28(d) of the Rules of 2002 for such claims?

D. Whether the impugned attachment orders can be said to be issued by the Liquidator in exercise of the powers given under Section 90(2)(g) of the Act of 2002?

19. The provisions which are relevant for consideration of the aforesaid issues are quoted as under:-

Sections 89 and 90 of the Multi-State Co-operative Societies Act, 2002:

> "***89. Liquidator***
>
> *(1) Where the Central Registrar has made an order under section 86 for the winding up of multi-state cooperative society, the Central Registrar may appoint a liquidator for the purpose and fix his remuneration.*
>
> *(2) A liquidator shall, on appointment, take into his custody or under his control all the property, effects and actionable claims to which the multi-state cooperative society is or appears to be entitled and shall take such steps as he may deem necessary or expedient to prevent loss or*

deterioration of, or damage to, such property, effects and claims and he may carry on the business of the multi-state cooperative society so far as may be necessary with the previous approval of the Central Registrar.

(3) Where an appeal is preferred under clause (f) of sub-section (1) of section 99, an order for the winding up of a multi-state cooperative society made under section 86 shall not operate thereafter until the order is confirmed in appeal:

PROVIDED that the liquidator shall continue to have custody or control of the property, effects and actionable claims mentioned in subsection (2) and have authority to take the steps referred to in that sub-section.

(4) Where an order for the winding up of a multi-state cooperative society is set aside in appeal, the property, effects and actionable claims of the society shall re-vest in the society.

90. Powers of liquidator

(1) Subject to any rules made in this behalf, the whole of the assets of a multi-state cooperative society in respect of which an order for winding up has been made, shall vest in the liquidator appointed under section 89 from the date on which the order takes effect and the liquidator shall have power to realise such assets by sale or otherwise.

(2) Such liquidator shall also have power, subject to the control of the Central Registrar-

(a) to institute and defend suits and other legal proceedings on behalf of the multi-state cooperative society by the name of his office;

(b) to determine from time to time the contribution (including debts due and costs of liquidation) to be made or remaining to be made by the members or past members or by the estates or nominees, heirs or legal representatives of the deceased members or by an officers or former officers, to the assets of the multi-state cooperative society;

(c) to investigate all claims against the multi-state cooperative society and subject to the provisions of this Act, to decide questions of priority arising between claimants;

(d) to pay claims against the multi-state cooperative society, including interest up to the date of winding up according to their respective priorities, if any, in full or rateably, as the assets of the society may permit; and the surplus, if any, remaining after payment of the claims being applied in payment of interest from the date of such order or winding up at a rate fixed by him but not exceeding the contract rate in any case;

(e) to determine by what persons and in what proportions the costs of the liquidation are to be borne;

(f) to determine whether any person is a member, past member or nominee of a deceased member;

(g) to give such directions in regard to the collection and distribution of the assets of the multi-state cooperative society as may appear to him to be necessary for winding up the affairs of that society;

(h) to carry on the business of the multi-state cooperative society so far as may be necessary for the beneficial winding up of the same;

(i) to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim, present or future, whereby the multi-state cooperative society may be rendered liable;

(j) to make any compromise or arrangement with any person between whom and the multi-state cooperative society there exists any dispute and to refer any such dispute for decision;

(k) after consulting the members of the multi-state cooperative society, to dispose of the surplus, if any, remaining after paying the claims against the society, in such manner as may be prescribed.

(l) to compromise all calls or liabilities to calls and debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or alleged to be subsisting between the multi-state cooperative society and a contributory or other debtor or person apprehending liability to the multi-state cooperative society and all questions in any way relating to or affecting the assets or the winding up of the society on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect thereof.

(3) When the affairs of a multi-state cooperative society have been wound up, the liquidator shall make a report to the Central Registrar and deposit the records of the society in such place as the Central Registrar may direct."

Rule 28 of the Multi-State Cooperative Societies Rules, 2002:

> "***28. Procedure to be adopted by liquidator***
>
> *When liquidator has been appointed under sub-section (1) of section 89, the following procedure shall be adopted.*
>
> *(a) ****
>
> *(b) ****
>
> *(c) ****
>
> ***(d) The liquidator shall recover all sums and other properties to which the multi-state cooperative society is entitled and may institute such suits for that purpose or such suits incidental to liquidation proceedings as he may think proper.***
>
> *(e) *** "*

20. Now first of all, the Court has to see whether the properties in question which are not in the name of the ACCSL are included in the assets of Multi State Cooperative Society as referred in section 90(1) of the Act of 2002?. The facts on record as well as the contents of the impugned attachment orders clearly speak that on the date of appointment of the Liquidator, the properties in question were not recorded in the name of the ACCSL. The language of Section 90(1) of the Act of 2002 clearly provides for powers of liquidator and says that the whole of the assets of a multi-State co-operative society in respect of which an order for winding up has been made, shall vest in the liquidator

appointed under section 89 from the date on which the order takes effect and the liquidator shall have power to realize such assets by sale or otherwise. The plain reading of the said provision can very well be concluded that only the assets which were recorded in the name of Multi-State Cooperative Society are included in the assets which vest in the Liquidator. The Liquidator has no authority over any other property merely because he claims that the said property has been purchased with the funds of the society. If the Liquidator on the basis of the record of the society is of the opinion that any property has been purchased with the funds of the society then for claiming rights over such property he has to file a suit as provided under Rule 28(d) of the Rules of 2002 because only a competent court can decide the title or ownership over a property. It is not the wisdom of the Liquidator that he can claim right over any property alleging that such property has been purchased by the funds of the society and can pass directions to the concerned authorities to transfer the title and ownership in the name of the Liquidator and that too without even providing an opportunity of hearing to the party in whose name the land/ property vests.

21. Learned counsel appearing for the respondents has relied upon para 45 of the judgment delivered by the Hon’ble Apex Court in the case of ***Writers and Publishers Private***

Limited v. Dr. A.K. Mishra, Official Liquidator, reported in (2021) 13 SCC 279, which is quoted as under:-

> "***Statutory Scheme applicable to Super Bazar***
>
> ***45.*** *Chapter X of the Multi-State Co-operative Societies Act 2002 deals with the winding up of multi-state co-operative societies. Under sub-section (1) of Section 86, the Central Registrar is empowered to direct the winding up of a multi-state co- operative society after an audit, special audit or an inquiry or, as the case may be, or an inspection under Sections 70, 77, 78 and 79 respectively. Sub-section 2(b) empowers the Central Registrar of his own motion to direct the winding up of a multi- state co-operative society which has ceased to function in accordance with co-operative principles. Section 89 provides for the appointment of a liquidator while Section 90 provides for the powers of the liquidator. Under Section 90(1), all the assets of a multi-state co-operative society in respect of which an order of winding up has been passed, vest in the liquidator from the date on which the order takes effect. The liquidator is entrusted with the power to realise monies from the assets. Under clause (b) of sub-section 2 of Section 90, the liquidator is empowered to determine the contribution to be made or remaining to be made by the members or past members or by officers or former officers to the assets of the society. Under clause (c) of sub-Section (2) of Section 90, the liquidator is empowered to investigate all claims against the society and subject to the other provisions of the*

> *statute, to decide questions of priority between claimants. Under clause (d), the liquidator is empowered to pay claims against the society, including interest up to the date of winding up according to their respective priorities in full or rateably, as the assets of the society may permit. The surplus, if any that remains, has to be applied in the payment of interest from the date of the order of winding up."*

Looking to the peculiar facts of this case that the properties in question are not in the name of the Society, the observations of the Hon'ble Apex Court, are not applicable in the present case.

22. It is not in dispute that at the time of appointment of the Liquidator, the properties in question in all these petitions were not recorded in the name of the ACCSL. Article 300-A of the Constitution of India recognizes the right of property and provides that nobody can be deprived of the property and right of residence otherwise in the manner prescribed by law. When the Statute prescribes a mode, the properties deprivation cannot be done in other modes.

23. The Hon'ble Apex Court in the matter of ***M.C. Mehta vs. Union of India & Ors., reported in 2020 SCC Online SC 648,*** has observed as under:-

> *"**106.** The power of sealing of property carries civil consequences. A person can be deprived of the property by following a procedure in accordance*

with law. The Monitoring Committee is not authorized to take action concerning the residential premises situated on the private land. If there is unauthorized construction or in case of deviation, the requisite provisions are under the DMC Act, such as sections 343, 345, 347(A), 347(B). The mode of action and adjudication under the Act is provided including appellate provisions and that of the Tribunal. It would not be appropriate to the Monitoring Committee to usurp statutory powers and act beyond authority conferred upon it by the Court. The Monitoring Committee could not have sealed the residential premises, which were not misused for the commercial purpose as done vide Report No. 149, nor it could have directed the demolition of those residential properties.

107. *Article 300A of the Constitution provides that nobody can be deprived of the property and right of residence otherwise in the manner prescribed by law. When the statute prescribes a mode, the property's deprivation cannot be done in other modes since this Court did not authorize the Committee to take action in the matter. An action could have been taken in no other manner except in accordance with the procedure prescribed by law as laid down in the decisions referred to at the Bar thus:*

> *(a) State of Rajasthan v. Basant Nahata, (2005) 12 SCC 77, wherein this Court observed:*
>
> > *"59. ....In absence of any substantive provisions contained in a parliamentary or*

legislative act, he cannot be refrained from dealing with his property in any manner he likes. Such statutory interdict would be opposed to one's right of property as envisaged under Article 300-A of the Constitution."

(b) K.T. Plantation Pvt. Ltd. v. State of Karnataka, (2011) 9 SCC 1 in which it was opined:

"168. Article 300-A proclaims that no person can be deprived of his property save by authority of law, meaning thereby that a person cannot be deprived of his property merely by an executive fiat, without any specific legal authority or without the support of law made by a competent legislature. The expression "property" in Article 300-A confined not to land alone, it includes intangibles like copyrights and other intellectual property and embraces every possible interest recognised by law.

169. This Court in State of W.B. v. Vishnunarayan and Associates (P) Ltd. [(2002) 4 SCC 134], while examining the provisions of the West Bengal Great Eastern Hotel (Acquisition of Undertaking) Act, 1980, held in the context of Article 300-A that the State or executive officers cannot interfere with the right of others unless they can point out the specific provisions of law which authorises their rights."

(emphasis supplied)

(c) In T. Vijayalakshmi v. Town Planning Member, (2006) 8 SCC 502, the Court observed:

"13. Town Planning legislations are regulatory in nature. The right to property of a person would include a right to construct a building. Such a right, however, can be restricted by reason of a legislation. In terms of the provisions of the Karnataka Town and Country Planning Act, a comprehensive development plan was prepared. It indisputably is still in force. Whether the amendments to the said comprehensive development plan as proposed by the Authority would ultimately be accepted by the State or not is uncertain. It is yet to apply its mind. Amendments to a development plan must conform to the provisions of the Act. As noticed hereinbefore, the State has called for objection from the citizens. Ecological balance no doubt is required to be maintained and the courts while interpreting a statute should bestow serious consideration in this behalf, but ecological aspects, it is trite, are ordinarily a part of the town planning legislation. If in the legislation itself or in the statute governing the field, ecological aspects have not been taken into consideration keeping in view the future need, the State and the Authority must take the blame therefor. We must assume that these aspects of the matter were taken into

consideration by the Authority and the State. But the rights of the parties cannot be intermeddled with so long as an appropriate amendment in the legislation is not brought into force.

***

15. The law in this behalf is explicit. Right of a person to construct residential houses in the residential area is a valuable right. The said right can only be regulated in terms of a regulatory statute but unless there exists a clear provision the same cannot be taken away. ...."

(emphasis supplied)

(d) In the matter of State of U.P. v. Manohar, (2005) 2 SCC 126, this Court observed:

"7. Ours is a constitutional democracy and the rights available to the citizens are declared by the Constitution. Although Article 19(1)(f) was deleted by the Forty-fourth Amendment to the Constitution, Article 300-A has been placed in the Constitution, which reads as follows:

> *"300-A. Persons not to be deprived of property save by authority of law.--No person shall be deprived of his property save by authority of law."*

8. This is a case where we find utter lack of legal authority for deprivation of the respondent's property by the appellants who are State authorities. ..."

(e) In Delhi Airtech Services (P) Ltd. v. State of U.P., (2011) 9 SCC 354, this Court held:

> *"83. The expression "law" which figures both in Article 21 and Article 300-A must be given the same meaning. In both the cases the law would mean a validly enacted law. In order to be valid law it must be just, fair and reasonable having regard to the requirement of Articles 14 and 21 as explained in Maneka Gandhi. This is especially so, as "law" in both the Articles 21 and 300-A is meant to prevent deprivation of rights. Insofar as Article 21 is concerned, it is a fundamental right whereas in Article 300-A it is a constitutional right which has been given a status of a basic human right."*

(f) It was further argued that planning laws are expropritory and should be strictly construed, and any ambiguity is to be construed in favour of the property owner as laid down in Delhi Airtech Services (P) Ltd. v. State of U.P. (supra) thus:

> *"129. Statutes which encroach upon rights, whether as regards person or property, are subject to strict construction in the same way as penal Acts. It is a recognised rule that they should be interpreted, if possible, so as to respect such rights and if there is any ambiguity, the construction which is in favour of the freedom of the individual should be adopted. (See Maxwell on The Interpretation of Statutes, 12th Edn. by P. St. J. Langan.)*

130. This Court in Devinder Singh7 held that the Land Acquisition Act is an expropritory legislation and followed the case of Hindustan Petroleum Corpn. v. Darius Shapur Chenai [(2005) 7 SCC 627]. Therefore, it should be construed strictly. The Court has also taken the view that even in cases of directory requirements, substantial compliance with such provision would be necessary."

(emphasis supplied)

(g) In Ramchandra Ravindra Waghmare v. Indore Municipal Corporation, (2017) 1 SCC 667, it was opined:

"67. It was also submitted that town planning and municipal institutes are regulating and restricting the use of private property under the aforesaid Acts. They are "expropritory legislation". Thus they are liable to be construed strictly as laid down in Indore Vikas Pradhikaran v. Pure Industrial Coke & Chemicals Ltd. [(2007) 8 SCC 705]"

(h) In Chairman, Indore Vikas Pradhikaran v. Pure Industrial Coke & Chemicals Ltd., (2007) 8 SCC 705, it was held:

"57. The Act being regulatory in nature as by reason thereof the right of an owner of property to use and develop stands restricted, requires strict construction. An owner of land ordinarily would be entitled to use or develop the same for any purpose unless there exists certain regulation in a statute or statutory rules. Regulations

contained in such statute must be interpreted in such a manner so as to least interfere with the right to property of the owner of such land. Restrictions are made in larger public interest. Such restrictions, indisputably must be reasonable ones. (See Balram Kumawat v. Union of India [(2003) 7 SCC 628]; Krishi Utpadan Mandi Samiti v. Pilibhit Pantnagar Beej Ltd[(2004) 1 SCC 391] and Union of India v. West Coast Paper Mills Ltd.[(2004) 2 SCC 747] The statutory scheme contemplates that a person and owner of land should not ordinarily be deprived from the user thereof by way of reservation or designation.

58. Expropprietory legislation, as is well-known, must be given a strict construction."

(i) In State of Gujarat v. Shantilal Mangaldas, (1969) 1 SCC 509, it was held:

"55. ...... Once the draft town-planning scheme is sanctioned, the land becomes subject to the provisions of the Town Planning Act, and on the final town- planning scheme being sanctioned, by statutory operation the title of the various owners is readjusted and the lands needed for a public purpose vest in the local authority. Land required for any of the purposes of a town planning scheme cannot be acquired otherwise than under the Act, for it is a settled rule of interpretation of statutes that when power is given under a statute to do a

certain thing in a certain way the thing must be done in that way or not at all:"

(emphasis supplied)

(j) In Bhavnagar University v. Palitana Sugar Mill (P) Ltd., (2003) 2 SCC 111, it was opined:

"40. The statutory interdict of use and enjoyment of the property must be strictly construed. It is well settled that when a statutory authority is required to do a thing in a particular manner, the same must be done in that manner or not at all. The State and other authorities while acting under the said Act are only creature of statute. They must act within the four corners thereof."

(emphasis supplied)

(k) In Shrirampur Municipal Council v. Satyabhamabai Bhimaji Dawkher, (2013) 5 SCC 627 it was held:

"43. ...... This is the reason why time-limit of ten years has been prescribed in Section 31(5) and also under Sections 126 and 127 of the 1966 Act for the acquisition of land, with a stipulation that if the land is not acquired within six months of the service of notice under Section 127 or steps are not commenced for acquisition, reservation of the land will be deemed to have lapsed. Shri Naphade's interpretation of the scheme of Sections 126 and 127, if accepted, will lead to absurd results and the landowners will be deprived of their right to use the property for

an indefinite period without being paid compensation. That would tantamount to depriving the citizens of their property without the sanction of law and would result in violation of Article 300-A of the Constitution."

(emphasis supplied)"

24. The Hon'ble Apex Court in the case of ***State of Rajasthan & Ors. v. Basant Nahata, reported in (2005) 12 SCC 77*** has observed in para 59 as under:-

"***59.*** *The question can be considered from another angle. A person may not have any near relative or is otherwise unable to attend the office of the Sub-Registrar or Registrar within whose jurisdictions the property is situated. He may even be out of the country. In absence of any substantive provisions contained in a parliamentary or legislative act, he cannot be refrained from dealing with his property in any manner he likes. Such statutory interdict would be opposed to one's right of property as envisaged under Article 300-A of the Constitution."*

25. Further, the Hon'ble Apex Court in the case of ***Jilubhai Nanbhai Khachar & Ors. v. State of Gujarat & Anr., reported in 1995 Supp (1) SCC 596*** has observed in para 48 as under:-

"***48.*** *The word 'property' used in Article 300-A must be understood in the context in which the sovereign power of eminent domain is exercised by the State and property expropriated. No abstract principles could be laid. Each case must be* *considered in the light of its own facts and setting. The phrase "deprivation of the property of a person" must equally be considered in the fact situation of a case. Deprivation connotes different concepts. Article 300-A gets attracted to an acquisition or taking possession of private property, by necessary implication for public purpose, in accordance with the law made by Parliament or a State Legislature, a rule or a statutory order having force of law. It is inherent in every sovereign State by exercising its power of eminent domain to expropriate private property without owner's consent. Prima facie, State would be the judge to decide whether a purpose is a public purpose. But it is not the sole judge. This will be subject to judicial review and it is the duty of the court to determine whether a particular purpose is a public purpose or not. Public interest has always been considered to be an essential ingredient of public purpose. But every public purpose does not fall under Article 300-A nor every exercise of eminent domain an acquisition or taking possession under Article 300-A. Generally speaking preservation of public health or prevention of damage to life and property are considered to be public purposes. Yet deprivation of property for any such purpose would not amount to acquisition or possession taken under Article 300-A. It would be by exercise of the police power of the State. In other words, Article 300-A only limits the powers of the State that no person shall be deprived of his property save by authority of law. There has to be no deprivation without any sanction of law. Deprivation by any* *other mode is not acquisition or taking possession under Article 300-A. In other words, if there is no law, there is no deprivation. Acquisition of mines, minerals and quarries is deprivation under Article 300-A."*

26. Counsel appearing for the respondents has referred para 52 of the judgment delivered by the Hon'ble Apex Court in the case of ***M/s. R.K. Industries (Unit-II) LLP v. M/s. H.R. Commercials Private Limited & other and one other connected matter, reported in 2022 Supreme (SC) 854,*** which is quoted as under:-

"***52.*** *We are of the firm view that it is not for the court to question the judiciousness of the decision taken by the respondent No.2 – Liquidator with the idea of enhancing the value of the assets of the Corporate Debtor being put up for sale. The right to refuse the highest bid or completely abandon or cancel the bidding process was available to the respondent No.2 – Liquidator. The appellant has not been able to demonstrate that the decision of the respondent No.2 – Liquidator to discontinue the Second Swiss Challenge Process and go in for a Private Sale through direction negotiations with prospective bidders was a malafide exercise. It is a well-settled principle that in matters relating to commercial transactions, tenders, etc., the scope of judicial review is fairly limited and the court ought to refrain from substituting its decisions for that of the tendering agency [Ref.: State of Madhya Pradesh and Others v. Nandlal Jaiswal and Others, Tata Cellular (supra) and Air India (supra)]. In*

Nandlal Jaiswal and Others (supra), this Court held that while granting a licence for setting up a new industry, the State Government is not under any obligation to advertise and invite offers for the said purpose and that the State Government is well entitled to negotiate with those who have come up with an offer to set up such an industry. In 5 M & T Consultants, Secunderabad v. S.Y. Nawab and Another, the court concluded as under:

> *"17. …… It is by now well settled that non-floating of tenders or absence of public auction or invitation alone is no sufficient reason to castigate the move or an action of a public authority as either arbitrary or unreasonable or amounting to mala fide or improper exercise or improper abuse of power by the authority concerned. Courts have always leaned in favour of sufficient latitude being left with the authorities to adopt their own techniques of management of projects with concomitant economic expediencies depending upon the exigencies of a situation guided by appropriate financial policy in the best interests of the authority motivated by public interest as well in undertaking such ventures…….."*

27. Having gone through the material made available on record and so also the case law, as quoted above, this Court can safely held that the properties which vest in the name of a particular individual cannot be transferred without the procedure and mode prescribed under the law as like the provisions for transfer of property under the Transfer of

Property Act or any other mode provided under other particular Act. In the present case, at the time of appointment of the Liquidator, the properties in question in all these petitions were in the names of the petitioners but the Liquidator claiming that the properties have been purchased with the funds of the ACCSL, he cannot direct the concerned competent authorities to transfer in the name of the Liquidator by carrying out the mutation in the revenue survey numbers/ town planning area. Such mode of transfer of the property is not sustainable as the provisions of the Act of 2002 do not provide for such kind of transfer. When the Rules of 2002 provide that if the Liquidator claims any right over any property then he has to file a suit but it seems that since from the date of his appointment, the limitation for filing the suit has expired, the Liquidator has adhered to this kind of illegal practice for transferring the properties in question for which this Court can safely held that it is wholly illegal, arbitrary, without competence and not sustainable.

28. In view of the discussion made above as regards the questions formulated by this Court, this Court can safely held that the Liquidator has no right over any of the properties which were not the assets of the Society and the Liquidator cannot issue any attachment orders that too without issuing any notice to the effected party. If at all the Liquidator claims any right over any property which is in the

name of the third party, he has to initiate the suit proceedings as provided under Rule 28(d) of the Rules of 2002.

29. One more legal question has also arose that 'Whether the impugned attachment orders passed by the Liquidator are in gross violation of the principles of natural justice? It is settled principle of law that whenever any order adverse to an individual is passed by any authority that individual is entitled to be issued a show cause notice and proper opportunity of hearing so as to defend and establish his rights. In the present case, on perusal of the impugned attachment orders and the pleadings of the parties it is very much clear that no any show cause notice was ever issued to the petitioners and no opportunity of hearing was allowed to them before issuing the attachment orders, which in a manner is an order taking away the rights of the petitioners from the property in question. In the opinion of this Court, such action of the Liquidator is wholly illegal and in gross violation of the principles of natural justice.

30. In view of the discussion made above, all the writ petitions are allowed. The impugned attachment orders dated 18.12.2025 (CWP No. 723/2026), 20.06.2025 (CWP No. 11480/2025), 20.06.2025 (CWP No. 11999/2025), 20.06.2025 (CWP No. 12000/2025), 20.06.2025 (CWP No. 12001/2025), 21.07.2025 (CWP No. 13572/2025) and

21.07.2025 (CWP No. 13578/2025) are quashed and set aside with all consequential orders and proceedings in respect of the properties in question in these writ petitions.

31. In view of the orders passed in the main petitions, the stay application and pending application/s, if any, also stand disposed of.

32. The Registry is directed to place a copy of this order in all the connected petitions.

(GANESH RAM MEENA),J

Sharma N.K./Dy. Registrar