

**In The High Court at Calcutta**

**Constitutional Writ Jurisdiction**

**Appellate Side**

**Coram: The Hon'ble Justice Rajarshi Bharadwaj**

**&**

**The Hon'ble Justice Sudip Deb**

**WPA 27005 of 2016**

**With**

CAN 1 of 2019 (Old No. CAN 4506 of 2019), (CAN 4 of 2021), (CAN 5 of 2022), (CAN 6 of 2022), (CAN 7 of 2023), (CAN 8 of 2024), (CAN 9 of 2024), (CAN 10 of 2024), (CAN 11 of 2024), (CAN 12 of 2024), (CAN 14 of 2024), (CAN 15 of 2024), (CAN 16 of 2024), (CAN 17 of 2024), (CAN 18 of 2025), (CAN 19 of 2025), (CAN 20 of 2025), (CAN 21 of 2025), (CAN 22 of 2025), (CAN 23 of 2025), (CAN 25 of 2025), (CAN 29 of 2025), (CAN 30 of 2025), (CAN 31 of 2025), (CAN 33 of 2025), (CAN 35 of 2025), (CAN 38 of 2025), (CAN 41 of 2026), (CAN 42 of 2026), (CAN 43 of 2026), (CAN 46 of 2026), (CAN 47 of 2026), (CAN 48 of 2026), (CAN 49 of 2026), (CAN 53 of 2026)

**Kalipada Pal**

**Vs.**

**Union of India & Ors.**

**With**

**Original Side matters:**

**WP 275 of 2015**

**With**

**GA 896 of 2017, GA 315 of 2016 GA 2291 of 2015, GA 3765 of 2015 GA 4015 of 2015,**

**With**

**APOT 287 of 2015**

**With**

**GA 2255 of 2015, GA 2256 of 2015, GA 1552 of 2018, GA 5 of 2022, GA 7 of 2023, GA 8 of 2024, GA 9 of 2024, GA 10 of 2025**

**With**

**WPA 17346 of 2024**

**With**

**CAN 1 of 2025**

***Mahijas Infra Pvt. Ltd.***  
***Vs.***  
***State of West Bengal & Ors.***

***With***  
***WPA 20812 of 2023***  
***Samir Kumar Hazra & Ors.***

***Vs.***  
***Union of India & Ors.***

***With***  
***WPA 20822 of 2023***  
***Suvash Maji & Ors.***

***Vs.***  
***Union of India & Ors.***

***With***  
***WPA 20947 of 2023***  
***Lipika Chanda***

***Vs.***  
***Union of India & Ors.***

***With***  
***WPA 24932 of 2023***  
***Asit Pramanik & Ors.***

***Vs.***  
***Union of India & Ors.***

***With***  
***WPA 25845 of 2016***  
***CAN 1 of 2018 (Old CAN 4643 of 2018)***  
***Rose Valley Fields Employees Union***  
***(WB Circle) & Anr.***

***Vs.***  
***Union of India & Ors.***

***With***  
***WPA 3268 of 2016***  
***Sarmistha Singha & Anr.***

***Vs.***  
***Union of India & Ors.***

**With**  
**WPA 6975 of 2024**  
**Utpal Chanda**  
**Vs.**  
**Union of India & Ors.**  
**With**  
**WPA 7837 of 2022**  
**Chitra Malik & Ors.**  
**Vs.**  
**Union of India & Ors.**

**Present :-**

Mr. Subhasis Chakraborty  
Ms. Sushmita Kumari Singh

... for petitioner in WPA 27005 of 2016

Mr. Amarendra Chakaraborty

...for the petitioner in WPA 3268 of 2016

Mr. Swatarup Banerjee

....As Amicus Curie in WPA 17346 of 2024

Mr. Debapriya Majumder

.....for petitioner in WPA 17346 of 2024

Mr. Annirudha Chatterjee, Sr. Adv.

Ms. Ujjaini Chatterjee

Mr. Sidharta Basu

... for the respondent no.11 in WPA 17346 of 2024

Mr. Arup Nath Bhattacharyya

Ms. Sreetama Biswas

Mr. Zainab Kamal

... for Rose Valley Group of Companies

Mr. R. Bachawat, Sr. Adv.

Mr. Anirban Kar

Mr. Suvadeep Sen

Mr. Munshi Ashiq Elahi

... for the ADC

Mr. S.V. Raju, Ld. ASGI

Mr. Dhiraj Trivedi, Ld. ASGI

Mr. Samrat Goshwami

Ms. A. Pandey

Mr. Arijit Chakraborti

Mr. Debsoumya Basak

Ms. Swati Kumari Singh

Ms. Supriti Sarkhel

Ms. Swapna Jha

Ms. Katha Sarkar

... for the ED

Mr. Vipul Kundalia, Sr. Adv.  
 Ms. A. Pandey  
 Ms. A. Mishra  
 Mr. A. Kanan  
 Ms. A. Agarwal  
 Ms. G. Parth

... ... for the SFIO & UOI

Mr. Susanta Kumar Dutt  
 Mr. Syamantak Banerjee

... ... for the SEBI

Mr. Rajdeep Majumder, Ld. AAG  
 Mr. Ajit Kumar Mishra, Ld. AGP  
 Mr. G.K. Sarkar

... ... for the State

Mr. Dhiraj Trivedi, Ld. ASGI  
 Mr. Amajit De  
 Ms. Suchismita Ghosh

... for the CBI

... ... for the RBI

**Reserved on : 28.09.2026**

**Pronounced on : 29.09.2026**

**Rajarshi Bharadwaj, J :-**

1. The petitioner in WPA 17346 of 2024, M/s Mahijas Infra Pvt. Ltd., is a private limited company incorporated under the provisions of the Companies Act, 2013, engaged primarily in the business of operating hotels and restaurants.

2. The history of the subject property *i.e.*, the commercial establishment known as "Park Prime Hotel" situated at Durgapur, Paschim Bardhaman is inextricably linked with the judicial management of the assets of respondent no.7 herein M/s Rose Valley Real Estate & Construction Limited. By an order dated May 11, 2015, passed by this Hon'ble Court in W.P. No. 275 of 2015 (*Rose Valley Real Estate & Construction Limited v. State of West Bengal and*

*Others*), an Assets Disposal Committee (hereinafter referred to as 'ADC') was constituted primarily for conducting the sale of the assets of Rose Valley Real Estate & Construction Limited by public auction, subject to the explicit rider that no disbursement of the proceeds would be made without the prior leave of the High Court.

**3.** With a view to generating revenue from dormant assets under the purview of the learned ADC, the proposal of Mahijas Infra Pvt. Ltd. to lease out Park Prime Hotel at Durgapur was placed before the ADC. In its 50<sup>th</sup> sitting held on January 6, 2021, the learned ADC examined the credentials of Mahijas Infra Pvt. Ltd. and resolved that its credentials were acceptable given its demonstrated capability in running hotel businesses. In the course of those deliberations, Mr. Tuhin Dey being the Director of respondent no.11, i.e., M/s Chocolate Hotels Pvt. Ltd. suggested that the operation of the hotel be entrusted to Mahijas Infra Pvt. Ltd., which had quoted an occupational charge of Rs.3.35/- Lakhs per month, a figure accepted by the Committee as commercially viable.

**4.** Subsequently, following various discussions, the learned ADC, in its 61<sup>st</sup> sitting held on August 24, 2021, formally permitted M/s Chocolate Hotels Pvt. Ltd. to execute a Management Contract Agreement for four corporate properties including Park Prime Hotel at Durgapur with Mahijas Infra Pvt. Ltd. as the designated service provider, on mutually agreed terms and conditions.

**5.** Pursuant to the explicit authorisation of the learned ADC, a formal Management Agreement was executed on September 13, 2021, by and between

the respondent no.11 being M/s Chocolate Hotels Pvt. Ltd. (designated as Lessee/Licensee) and the petitioner being Mahijas Infra Pvt. Ltd. (designated as Service Provider). Under the terms of this agreement, the petitioner was authorised and permitted to manage and operate Park Prime Hotel at Durgapur for an initial period of one year, commencing on October 1, 2021 and expiring on September 30, 2022, with a covenant providing for annual renewal subject to a 10% enhancement of the monthly occupational charges.

**6.** However, when the petitioner attempted to assume physical possession of Park Prime Hotel in October 2021, it encountered severe operational hurdles. The hotel had remained non-operational and shut for years, resulting in massive unpaid salary and Provident Fund (PF) backlogs owed to the employees and staff of respondent no.11. Consequently, the organised labour force and staff physically blocked entry into the hotel premises, refusing to allow the petitioner to assume control or commence operations until their long-pending salary and PF dues were completely discharged.

**7.** Facing complete operational paralysis, the Directors of the petitioner immediately notified the management of respondent no.11. In response, the Director of respondent no.11 instructed the petitioner to directly intervene and settle the industrial dispute, with an express assurance that all funds advanced by the petitioner to clear labour liabilities would be adjusted month-by-month against the occupational charges payable for the hotel.

**8.** To resolve the impasse, the petitioner initiated formal conciliation by issuing a representation to the Joint Labour Commissioner (P), Durgapur, on

January 11, 2022. Acting upon this representation, the Deputy Labour Commissioner, Durgapur, issued a notice vide Memo No. DLC/DGP/IR-2022 dated February 17, 2022, requesting the attendance of the petitioner at a joint conciliation conference on February 23, 2022, to resolve the industrial dispute.

**9.** Through these conciliation efforts, the outstanding labour liability of respondent no.11 was settled at Rs.34,26,521/-. On March 4, 2022, Mr. Tuhin Dey, Director of the respondent no.11, issued a letter requesting the petitioner to remit the sum of Rs.34,26,521/- directly into the respondent no.11's HDFC Bank Account (Account No.502001534802, Tollygunge Branch), so that cheques could be disbursed to workers in the presence of the Deputy Labour Commissioner at Durgapur. The petitioner duly remitted the entire sum of Rs.34,26,521/- into the designated bank account. In addition, the petitioners also paid a sum of Rs.5,00,000/- directly to a private security provider agency to secure the hotel premises.

**10.** Following the resolution of the labour dispute, when the Directors of the petitioner were finally permitted to inspect the hotel infrastructure, they discovered that prolonged closure and neglect during the COVID-19 pandemic had left the property in total disrepair. Crucially, the high-tension electrical supply to the property had been permanently disconnected by the West Bengal State Electricity Distribution Company Limited (WBSEDCL) due to years of unpaid utility bills. The petitioner submitted fresh applications for electricity connection and remitted Rs.13,57,444/- (also recorded as Rs.13,57,488/-) directly to WBSEDCL to secure power restoration.

**11.** Beyond utility disconnections, the petitioner was compelled to clear severe statutory local tax liabilities, including the payment of Rs.2,00,000/- towards municipal holding tax backlogs to the Durgapur Municipal Corporation (against total pending arrears of approximately Rs. 14 Lakhs), Rs.26,100/- towards municipal water taxes and Rs. 46,465 towards fire licensing fees.

**12.** To render the damaged hotel operational, the petitioner undertook extensive capital repairs and equipment overhauls, incurring the following items of expenditure, such as, Lift Annual Maintenance Contract (AMC) of Rs.18,462/-, Diesel Generator (DG) set overhauls and repairs of Rs.56,238/-, Electronic room lock repairs of Rs.1,55,760/-, Miscellaneous conciliation expenses before the DLC of Rs.50,000/-, Building exterior painting of Rs.2,12,842/-, Interior room and indoor area painting of Rs.5,51,080/-, Comprehensive plumbing system repairs of Rs.1,45,376/-, Interior work, furniture and fixture refurbishing of Rs.6,69,930/-, Kitchen ducting and exhaust system repairs of Rs. 31,886, Gas line and commercial cooking range repairs of Rs.28,700/-, Central Air Conditioning (AC) and deep freezer overhauls of Rs.1,17,611/-, Water pressure pump system repairs of Rs.12,709/-, Sewage Treatment Plant (STP) repairs of Rs. 8,050/-, Aqua Guard water cooler repairs of Rs.12,555/-, Replacement and installation of CCTV cameras and DVR systems of Rs.72,100/-, Kitchen drainage lines and Tandoor unit repairs of Rs.16,000/-, Commercial Wi-Fi network installation of

Rs.11,800/- and Installation of a hot water boiler system with accessories (estimated) of Rs.16,00,000/-.

**13.** The total advance capital outlay disbursed by the petitioner to clear labour claims, statutory municipal liabilities, utility arrears and structural overhauls on behalf of respondent no.11 amounted to Rs.93,27,973/-. Under the agreed financial arrangement, this advance outlay was to be systematically recovered by the petitioner through a monthly deduction of Rs.2,00,000/- from the occupational charges, extending through May 31, 2026. A draft Supplementary Agreement dated August 12, 2022, detailing this exact adjustment schedule, was prepared by respondent no.11 and transmitted via email to the petitioner for vetting.

**14.** Following these capital overhauls, Park Prime Hotel became fully operational in July 2022. During an online meeting held on February 2, 2023, the learned ADC explicitly noted and reaffirmed the management contract granting operational control of Park Prime Hotel, Durgapur, to the petitioner.

**15.** The petitioner operated the hotel continuously, submitting applications for formal contract renewal. Inasmuch as the respondent no.11 and the authorities accepted the contractually enhanced occupational charges (reflecting the mandatory 10% annual escalation) following the completion of the first operational year, the management arrangement was treated as deemed renewed. The petitioner maintained an uninterrupted record of paying monthly occupational charges through June 2024, including payments remitted as late as June 12, 2024.

**16.** Notwithstanding full financial compliance and the ongoing operation of the hotel, summary eviction proceedings were initiated against the petitioner in late June 2024. The Hon'ble Justice (Retd.) D.K. Seth, Chairman of the ADC, issued a letter dated June 19, 2024 addressed to the District Magistrate (Paschim Bardhaman), the Commissioner of Police (ADPC) and Sri Suresh Kumar, Joint Director of the Enforcement Directorate (Zone II), stating that respondent no.11 would retake physical possession of Park Prime Hotel on June 23, 2024. A copy of this directive was communicated to the petitioner only on June 25, 2024.

**17.** On the evening of Saturday, June 22, 2024, Mr. Tuhin Dey, Director of respondent no.11, issued an email notice alleging violations of Clauses 7 and 8 of the management agreement and demanding that the petitioner will hand over vacant physical possession of the hotel by the morning of June 23, 2024, providing less than 15 hours' notice.

**18.** At approximately 11:00 AM on June 23, 2024, Mr. Tuhin Dey, accompanied by individuals who identified themselves as officers of the Enforcement Directorate, arrived at the hotel premises. They took forcible physical possession of Park Prime Hotel in the absence of the Directors of the petitioner and locked the main executive offices. Locked inside the premises were valuable corporate records, financial books, signed cheques and liquid cash belonging to the petitioner.

**19.** On June 23, 2024, learned Counsel for the petitioner dispatched an email reply denying all allegations of default, pointing out that occupational

charges stood paid up to June 2024 and requesting immediate recall of the eviction notice. Furthermore, on June 27, 2024, the petitioner submitted a comprehensive representation to the learned ADC protesting the high-handed dispossession and seeking restoration of physical possession.

**20.** Failing to receive administrative redress, the petitioner instituted the present petition being *WPA 17346 of 2024* before this Court under Article 226 of the Constitution of India, praying for setting aside and quashing the directive of the learned ADC dated June 19, 2024 and the notice dated June 22, 2024 and directing the respondents to immediately restore physical possession of Park Prime Hotel, Durgapur, to the petitioner and to pay compensation to the tune of Rs.1,50,000/-per day from June 23, 2024, until the date of actual restoration of possession, on account of illegal dispossession and operational losses.

**21.** The learned Counsel appearing for the respondent no.11 submits that M/s Chocolate Hotels Pvt. Ltd. (hereinafter referred to as 'CHPL'), is a wholly owned subsidiary of the Rose Valley Group. By orders of this Hon'ble Court dated May 11, 2015 and December 14, 2017, the Rose Valley ADC was constituted to manage and monetize properties across 54 group entities to refund victimised depositors. The subject property, Park Prime Hotel, Durgapur, belongs to M/s Rose Valley Real Estate & Construction Limited and stands attached by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act, 2002 (PMLA). Under an agreement dated July 1, 2014 and subsequent resolutions in the 50<sup>th</sup>, 61<sup>st</sup> and 91<sup>st</sup> sittings of the ADC, CHPL

was authorised to operate group hotels under ADC supervision and remit profits to the ED. Pursuant thereto, CHPL executed a Management Contract dated September 13, 2021, appointing the petitioner herein M/s Mahijas Infra Pvt. Ltd. solely as a "service provider" for sales and operation consultancy for a fixed term from October 1, 2021 to September 30, 2022. It is submitted that this agreement created no leasehold, tenancy or possessory rights in favor of the petitioner, with constructive possession remaining throughout with CHPL. Upon expiry on September 30, 2022, the contract was never renewed.

**22.** Learned counsel further contends that the writ petition is not maintainable against respondent no.11, as CHPL is a private limited company and not an "*other authority*" under Article 12 of the Constitution of India. The dispute arises entirely from a private, determinable commercial contract that has expired and stands lawfully rescinded. Specific performance or restoration of possession under a determinable commercial agreement is squarely barred under Sections 12 and 14(b) of the Specific Relief Act, 1963 and provisions of the Indian Contract Act, 1872, leaving the petitioner to pursue remedies before a civil or commercial court. Furthermore, because the property is under PMLA attachment, all claims regarding attached assets fall under the exclusive jurisdiction of the Special PMLA Court under Section 8(8) of the PMLA, 2002. Additionally, the prayer for unliquidated damages of Rs.1,50,000/- per day cannot be adjudicated under Article 226.

**23.** On the merits, learned counsel submits that the petitioner committed persistent, material breaches of the contract. The petitioner unlawfully sub-let

the hotel by executing an agreement on March 11, 2022, with WOW Hospitality Services and entered into a Business Operation Management Contract on October 20, 2023 with Surabhi Management for the entire hotel. It also constructed an unauthorised two-storied structure with a kitchen to run a restaurant named 'Eatsin' without the respondent no.11's permission or valid statutory licenses. Most egregiously, on June 10, 2023, illegal and immoral activities occurred inside the hotel, resulting in a police raid and registration of Durgapur P.S. Case No. 271 of 2023 under Sections 370/ 371/ 354A/ 354B/ 120B/341 of the Indian Penal Code (IPC) and Section 46A(C) Bengal Excise Act, 1909 wherein both directors of the petitioner were arrested. This scandal severely tarnished the goodwill of Park Prime Hotel. Moreover, the petitioner operated without a Fire License, allowed fire safety and kitchen ventilation systems to collapse, left vendor liabilities of Rs. 30 to 35 Lakhs unpaid, defaulted on PF/ESI dues, accumulated occupational charge arrears of Rs.5,72,800/- and failed to furnish TDS certificates (Form 16A) for Rs. 8,56,000/-.

**24.** Consequently, following the administrative directive dated June 18, 2024, issued by the Hon'ble Chairman of the ADC, respondent no.11 issued a termination notice dated June 22, 2024 under Clause 5 and lawfully resumed physical management on June 23, 2024. Rebutting the petitioner's financial claims, learned Counsel submits that all legitimate outlays for staff salaries amounting to Rs.34,26,521/-, security amounting to Rs.5,00,000/- and municipal taxes amounting to Rs.2,00,000/- were fully adjusted against

occupational charges, while no supplementary agreement for adjusting Rs.93,27,973/- was ever executed. While the petitioner obtained electricity in its own name amounting to Rs.13,57,488/- and can seek refund from WBSEDCL, respondent no.11 paid Rs.9,14,334/- to WBSEDCL for electricity consumed during the petitioner's tenure, making respondent no.11 entitled to recover Rs.10,86,867/-. The respondent no.11 has remitted Rs.43,60,000/- to the ED up to June 2024. Finally, learned Counsel highlights that despite a status quo order dated August 9, 2024, the petitioner's director, one Ms. Mita Mahato and her associates repeatedly trespassed into the hotel on October 31, 2024, November 6, 2024 and May 11, 2026, assaulting staff, destroying CCTV/DVR systems and harassing female staff, leading to FIRs being registered with Durgapur P.S. Case Nos. 591/2024 & 242/2026 under BNS. The respondent no.11 therefore prays for dismissal of the writ petition with exemplary costs.

**25.** In order to fully comprehend the legal matrix within which the Learned ADC functions, it is necessary to examine the foundational Public Interest Litigation registered as *WPA 27005 of 2016 (KaliPada Pal & Anr. v. Union of India & Ors.)*.

**26.** The Learned Counsel submits that the petitioners in *WPA 27005 of 2016* are, one Kalipada Pal being the petitioner no. 1, who invested a sum of Rs.1,50,000/- and petitioner no. 2 being one Shephali Das who invested a sum of Rs.88,120/-. Both petitioners instituted the writ petition in their dual capacity as defrauded depositors and members of the All India Small

Depositors and Field Workers Committee also known as Amanatkari -O- Agent Surokha Mancha, having its registered office at 53, A.J.C. Bose Road, Kolkata-700016, representing and acting in coordination with affected depositors across the nation including the All India Rose Valley Sufferers Association (AIRVSA).

**27.** The writ petition in *WPA 27005 of 2016* was brought in the public interest to protect the life savings of millions of small depositors across West Bengal and neighbouring states who suffered complete economic ruination due to illegal Ponzi and Collective Investment Schemes operated by respondent no.18, M/s Rose Valley Group of Companies comprising of 54 companies and its common directors operating under diverse corporate aliases.

**28.** As set forth in *WPA 27005 of 2016*, respondent no.18 and its ancillary entities operated in total defiance of corporate and financial laws. They solicited public deposits by offering deceptive assurances of exorbitant interest returns to innocent investors and lucrative commissions to field agents. These activities directly violated the provisions of the Companies Act, 2013, as well as statutory directions issued by the Reserve Bank of India (RBI) under Chapter IIIA and Chapter IIIB of the Reserve Bank of India Act, 1934, regulating deposit acceptance, interest caps and agent remuneration. As per official investigations submitted by the Enforcement Directorate, respondent no.18 fraudulently mobilised deposits amounting to Rs.17,520 Crores from over 1 Crore predominantly poor and middle-class investors, out of which Rs.6,666 Crores constitutes verified proceeds of crime.

**29.** To evade statutory oversight, the modus operandi of respondent no.18 was to project its operations as legitimate commercial businesses by purportedly selling land, tour and travel packages, solar products and consumer goods as well as operating hotel networks like Chocolate Hotels Private Limited which were in reality deceptive fronts designed to gather public funds under the guise of product sales. Posing as authorised Non-Banking Financial Companies (NBFCs) despite clear warnings from regulatory preliminary committees as early as 1996–1997, respondent no.18 siphoned off public money, severely undermining financial inclusion and destroying the rural economy.

**30.** Following the sudden financial collapse of the Saradha Group of Companies in January–February 2013, a systemic crisis enveloped similar Ponzi operators. Respondent no.18 and its group companies defaulted on their obligations, failing to pay promised returns or even refund principal sums. The total accumulated financial liability of respondent no.18 and its group entities was estimated to exceed Rs.6,000 crore, subsequent ED investigative findings confirmed a collection scale of Rs.17,520 crore with thousands of crores in unreturned principal. Respondent no.18 abruptly closed its branch offices, placed its premises under lock and key and absconded with public funds. Furthermore, local police stations under respondent nos. 14 to 17 repeatedly refused or neglected to register First Information Reports against the management of respondent no.18.

**31.** In *WPA 27005 of 2016*, the petitioners detailed widespread regulatory failure and statutory dereliction of duty across central and state authorities, such as, the Reserve Bank of India (hereinafter referred to as 'RBI') failed to enforce NBFC guidelines and regulator controls despite statutory powers under Chapter IIIA and IIIB of the RBI Act, 1934. The Registrar of Companies herein respondent no.10 failed to exercise statutory vigilance under the Companies Act, 1956, allowing respondent no.18 and its group companies to illegally raise public funds. The Securities and Exchange Board of India (hereinafter referred to as 'SEBI') being the respondent nos. 4 and 5 herein failed to act under its notification dated August 25, 2014 and amended provisions of the SEBI Act, 1992, specifically Section 11AA under which fund pooling involving a corpus of Rs.100 crore or more is deemed a Collective Investment Scheme, Section 11B that allows disgorgement of illegal gains and Section 28A(1) which empowers attachment and sale of movable/immovable properties, bank accounts, arrest of defaulting officers and appointment of receivers. The SEBI was subsequently assigned by the High Court to supervise property e-auctions and set reserve prices based on valuer reports. The Enforcement Directorate being the respondent nos. 8 and 9 herein neglected to invoke statutory mechanisms under the Prevention of Money Laundering Act, 2002 (PMLA) for the attachment and confiscation of proceeds of crime and the prosecution of money laundering offenses. The Serious Fraud Investigation Office (SFIO) under the Ministry of Corporate Affairs being respondent nos. 11 and 12 herein failed to exercise explicit powers under the Companies Act, 2013, including Section 211

(multidisciplinary investigation), Section 212 (investigation by Investigating Officers), Section 217 (inspection powers), Section 220 (search and seizure of falsified, altered or secreted books and records), Section 221 (freezing asset transfers prejudicial to the company or public interest under penal imprisonment up to 3 years and fines), submitting police reports under CrPC and executing arrests for corporate fraud. The Central Bureau of Investigation (hereinafter referred to as 'CBI') being respondent nos. 6 and 7 herein failed to investigate the larger conspiracy angle despite binding directives issued by the Hon'ble Supreme Court of India in **Subrata Chatteraj v. Union of India** reported in **(2014) 8 SCC 768**. The State Government of West Bengal being respondent nos. 13 to 17 herein failed to attach the Rose Valley properties, file FIRs or cooperate effectively with central agencies.

**32.** The petitioners in WPA 27005 of 2016 also submitted that despite providing detailed administrative representations following liberty granted by the Hon'ble Supreme Court in an Article 32 petition (*Writ Petition (Civil) No. 307 of 2014*), statutory authorities took no effective action. Owing to preferring the present petition (WPA 27005 of 2016) wherein the petitioner prays for a direction upon the concerned authorities to value all movable and immovable assets and liabilities of respondent no.18, its group companies and the personal properties of its directors using a High Court-approved registered valuer, the public auction sale of all attached properties and the appointment of a court-monitored special officer to disburse sale proceeds to defrauded

depositors and directing regulatory authorities to conduct a comprehensive investigation into the larger conspiracy angle across all jurisdictions.

**33.** In order to address such catastrophic public crisis and establish an effective mechanism for the liquidation of corporate properties for depositor restitution, the judicial framework governing the assets of respondent no.18 evolved through a series of court orders being as follows:

**34.** First, in *Rose Valley Real Estate & Construction Limited v. State of West Bengal & Ors.* (W.P. No. 275 of 2015), this Hon'ble High Court formulated a comprehensive asset liquidation scheme for depositor's restitution and by an order dated May 11, 2015, initially constituted an Asset Disposal Committee chaired by Hon'ble Justice (Retd.) Dilip Kumar Seth, with the explicit rider that the role of assets will be subject to confirmation by this Court.

**35.** In respect of M.A.T. No. 559 of 2015 in a Public Interest Litigation regarding the MPS group of companies, the formation of the S.P. Talukdar One-Man Committee was directed. Thereafter, the One-Man Committee's framework continued operating with its administrative expenditure borne by the State of West Bengal like a government department, currently managing 101 chit fund companies apart from the Rose Valley Group. The Enforcement Directorate challenged the constitutional validity of the initial One-Man Committee before this High Court in A.P.O.T. No. 287 of 2015. However, the High Court's jurisdiction to establish asset disposal frameworks for defrauded investors was firmly re-established by a Division Bench comprising Hon'ble Chief Justice Manjula Chellur and Hon'ble Justice Joymalya Bagchi. By a judgment dated

December 23, 2015, in M.A.T. No. 512 of 2015 and M.A.T. No. 559 of 2015 (involving the MPS Group of Companies), the Division Bench constituted a parallel One-Man Committee chaired by Hon'ble Justice (Retd.) Sailendra Prasad Talukdar with the specific mandate of liquidating corporate properties for depositor refunds, reinforcing the broader judicial framework operating concurrently alongside the Rose Valley proceedings.

**36.** The legal authority of these High Court-appointed asset disposal mechanisms was conclusively affirmed when the Enforcement Directorate challenged them before the Hon'ble Supreme Court of India in SLP (Civil) Nos. 33163–33164 of 2016. By an order dated October 28, 2016, the Supreme Court dismissed the Special Leave Petitions, holding that High Court-appointed committees were fully entitled to operate and sell corporate assets for depositor refunds while central statutory criminal and money-laundering investigations proceeded concurrently.

**37.** In line with the evolution of this judicial mechanism, the High Court subsequently reconstituted the said three-members of the Asset Disposal Committee (ADC) comprising of the Chairman, a Senior State Official (not below the rank of Joint Secretary) to be nominated by the Chief Secretary and an Enforcement Directorate officer ( not below the rank of an Assistant Director) to be nominated by the Director of the Enforcement Directorate, supported by SEBI and the IG Registration, Government of West Bengal vide orders dated September 14, 2017 and September 21, 2023 that would work in the line of the One-Man Committee.

**38.** This exclusive judicial authority was further fortified by this Hon'ble Court's judgment dated August 18, 2026, in *WPA 27005 of 2016 (CAN 28 of 2025)*, which confirmed Court-monitored e-auctions (such as Orbit Hotel, Raghunathpur for Rs.6,37,76,000/-) and explicitly rejected respondent no. 18's objections under Article 300A and Sections 5/8 of the Prevention of Money Laundering Act (PMLA), 2002.

**39.** Learned Additional Solicitor General appearing on behalf of the CBI has filed a report in a sealed cover. The report reveals that Gautam Kundu and his family, being the masterminds behind the matter, diverted the proceeds of crime during the period from 2017 to 2023. It further discloses that, despite the assets remaining under the control of the Asset Disposal Committee (ADC), they obstructed the ADC from discharging its duties effectively.

**40.** Therefore, amidst widespread regulatory oversight failures across central and state authorities, judicial intervention became imperative to preserve the corporate and personal assets of defaulting management in the public interest. The Supreme Court-affirmed mandate of these Asset Disposal Committees ensures the transparent valuation, attachment and public auctioning of corporate properties. However, as highlighted in the order dated August 08, 2025, strict judicial monitoring remains critical as despite an available corpus of Rs. 536.94 crore, merely Rs. 55.45 crore which is less than 10% of the total corpus has been disbursed to 72,760 depositors out of over 1 crore claimants, leaving Rs. 483.68 crore undistributed alongside severe claim scrutiny backlogs (Rs.31,000/- per month on the WEBEL portal) and administrative

irregularities involving Chocolate Hotels directors. Consequently, the petitioners submit that strict compliance with judicial directives and prompt CBI scrutiny are essential to safeguard the public interest and ensure actual, timely restitution.

**41.** Learned Counsel appearing for the Enforcement Directorate (ED) submits its report and contends that pursuant to the orders passed by this Hon'ble High Court dated May 11, 2015 and December 14, 2017, the ADC headed by Retd. Justice Dilip Kumar Seth was entrusted with the care, custody and management of all properties and assets belonging to the Rose Valley Group of companies, with exclusive powers to monetize and sell ED-attached properties for depositor restitution. Out of fifty-four companies belonging to the Rose Valley Group placed before this Hon'ble Court in *W.P. 27005 of 2015*, the Enforcement Directorate attached the equity shares of thirty-two primary entities directly held by the principal accused persons and promoters, including Rose Valley Real Estate & Construction Ltd. (RVRECL), Rose Valley Hotels & Entertainments Ltd. (RVHEL), Real Estates and Landbank India Ltd. (RELI) and Chocolate Hotels Pvt. Ltd. (CHPL), which were floated to layer, divert and wash public deposits under cross-holding corporate networks.

**42.** The learned Counsel highlights that five major Rose Valley Group entities illegally collected public deposits under various fraudulent Ponzi schemes, accumulating an aggregate collection of Rs.17,520.91 crore across 2,20,09,927 investor certificates comprising Rs.10,830.71 crore across 1,25,00,428 certificates by RVHEL, Rs.6,185.20 crore across 89,28,716 certificates by

RVRECL, Rs.430.12 crore across 4,97,048 certificates by RELI, Rs.69.59 crore across 76,386 certificates by Rose Valley Industries Ltd. and Rs.5.27 crore across 7,349 certificates by Rose Valley Realcon Ltd. Out of this sum, approximately Rs.10,854 crore was disbursed to investors as principal and interest including Rs.2,430 crore disbursed specifically as interest from principal capital during the operation of the schemes across 93,64,032 paid certificates, leaving an unpaid balance of Rs.6,666 crore across 1,26,45,895 unpaid certificates which stood siphoned off and constitutes active proceeds of crime under the Prevention of Money Laundering Act, 2002. In order to secure these proceeds of crime, the ED attached 709 immovable properties across 16 entities through its Kolkata Zonal Office, along with 141 properties through Guwahati and 15 properties through Agartala Zonal Offices, totalling 865 immovable properties across zones. In total, provisional attachment orders issued by the Kolkata Office cover movable assets valued at Rs.410.30 crore including share value of Rs. 262.66 crore and immovable assets valued at Rs.1,025.28 crore totalling Rs.1,435.58 crore across 14 PAO/Seizure orders, alongside substantial movable attachments by the Bhubaneswar office amounting to Rs.332,76,57,735/- across 2,987 properties/accounts and Guwahati office amounting to Rs.2,12,15,684/- across 02 properties. Keeping in light the recent SFIO findings regarding 242 allegedly unattached assets, the ED submits that 82 of those properties already stand attached, 24 numbers attributed to Gautam Kundu and others involve mistaken identity, while others involve composite attachments where hotels were constructed over multiple

merged land parcels. Furthermore, through auctioning 10 immovable properties via SEBI (realising Rs.70,33,95,610/-) and 04 cars via MSTC (realizing Rs.24,17,346/-) evaluated by Court-appointed Valuers Mr. Chandan Ghosh and Mr. Somnath Pal, the ADC accumulated Rs.70,58,12,959.21/- in realised funds and has successfully disbursed victimised depositors across 16 phases till date, with 97 additional properties currently in the pipeline for auction.

**43.** It is further submitted that in respect of productive assets such as hotel properties owned by CHPL herein respondent no.11 (a subsidiary under RVHEL), the Directorate took constructive possession under Section 5(6) of the PMLA (Taking Possession of Attached or Frozen Properties Confirmed by the Adjudicating Authority) Rules, 2013, allowing the establishment to continue commercial operations to prevent physical decay, local encroachment and devaluation pursuant to the 45<sup>th</sup> sitting of the ADC dated August 19, 2019. Under the administrative supervision of the ADC post-December 2017, CHPL successfully turned around its business operations, transitioning from a heavily indebted, loss-making entity into a profitable enterprise by FY 2020-21. Out of its operational profits, CHPL cleared substantial staff salary arrears, settled statutory liabilities, remitted Rs.5,31,61,371/- directly to the ED's designated account out of total ED deposits of Rs.5,79,49,832/-, transferred Rs.3,54,00,000/- directly to the ADC for administrative expenses and Chairman remuneration from August 2023 to June 2026 and directly met ADC's running expenses, office infrastructure, web portal, SDMS facility and

staff salaries to the extent of Rs.8,29,87,355/- up to August 21, 2026 totalling Rs.11,83,87,355 paid/borne for ADC and an aggregate of Rs.17,63,37,187/- contributed overall. Following repossession of Park Prime Durgapur by CHPL on June 23, 2024, the property generated operational revenue of Rs.2,97,95,726.23/- with a net profit of Rs.54,69,276.57/- in FY 2024-25 and revenue of Rs.4,08,31,962.54/- with a net profit of Rs.67,51,384.11/- in FY 2025-26. Additionally, pursuant to directions from the Special PMLA Court, the ED transferred Rs.517.54 crore including accrued interest to the ADC in April 2025 for disbursement among victimised depositors.

**44.** Regarding the management of CHPL, the learned Counsel submits that one Mr. Tuhin Dey was duly authorised by the promoters as Director of CHPL on June 2, 2020 and actively resisted attempts by the erstwhile management to siphon company funds. The Central Bureau of Investigation (CBI) vide letter dated November 11, 2021, advised that one Mr. Tuhin Dey should continue as director, noting that he is not an accused in any charge-sheet or prosecution complaint filed by the CBI, ED or local police and his conduct throughout has been fair and necessary for operating the hotel chain.

**45.** Turning specifically to the subject property, Park Prime Hotel, Durgapur, the ED submits that the property belongs to the Rose Valley Group and stands provisionally attached under the PMLA. CHPL herein the respondent no.11 executed a Management Contract on September 13, 2021, appointing the Petitioner being M/s Mahijas Infra Private Limited represented by its director, one Ms. Mita Mahato, as a mere service provider tasked only with Sales and

Operation Consultancy for a fixed, non-continuous tenure of one year from October 1, 2021 to September 30, 2022. Upon the expiration of the said agreement on September 30, 2022, no renewal or supplementary agreement was executed by the parties. Despite the formal expiration of the contract, the petitioner unauthorisedly continued operating the premises and committed systematic, fundamental breaches of contract, forcing CHPL to invoke Clause 5 to terminate the contract on June 22, 2024 and reclaim physical possession on June 23, 2024.

**46.** The learned Counsel details that the petitioner committed severe breaches of trust by unlawfully sub-letting the hotel property without written consent, entering into an unauthorised lease agreement with WOW Hospitality Services on March 11, 2022 and executing a business operation management contract with one M/s Surabhi Management on October 20, 2023, thereby completely parting with possession for a 40% profit commission in direct violation of Clauses 6 and 7 of the contract. Furthermore, the petitioner illegally demolished a portion of the hotel's boundary wall facing Junction Mall, erected an unauthorised two-storied iron structure with an outdoor kitchen in the hotel garden and sub-let it to operate a commercial restaurant named Eatsin without respondent no.11's sanction or mandatory municipal and fire safety licenses, while completely ignoring the show-cause notices issued on November 10, 2022.

**47.** Furthermore, the ED highlights that on or about June 10, 2023, gross illegal and immoral activities were actively carried out at the hotel premises

under the petitioner's management in violation of Clause 6. Following specific intelligence, the local police raided the premises, leading to the registration of Durgapur P.S. Case No. 271 of 2023 under Sections 370, 371, 354A, 354B, 120B and 341 IPC, alongside Section 46A(C) of the Bengal Excise Act. Both directors of the petitioner company, including one Ms. Mita Mahato, were formally arrested on charges of human trafficking and immoral trade causing irreversible damage to the reputation of Hotel Park Prime.

**48.** In addition to criminal prosecution, the petitioner left behind massive financial delinquencies, including outstanding occupational charge defaults of Rs.5,72,800/-, for June 2022 against monthly charges up to termination, failure to furnish TDS certificates (Form-16A) for Rs.8,56,000/-, unpaid electricity liability of Rs.10,86,867/- to WBSEDCL, defaulted Provident Fund of Rs.96,290/- and ESI dues of Rs.26,765/- (unpaid since April 2024), local vendor debts of Rs.30–35 lakhs, unpaid travel agent commissions of Rs.4,01,456/- due to Surabhi Management and sundry creditor liabilities of Rs.29,48,036/- accumulated from December 2023 to June 22, 2024. The petitioner also caused extensive structural vandalism by leaving room air conditioners broken and stripped of refrigerant gas, breaking the kitchen's fresh air ventilation systems, operating without a Fire License, submitting an inflated exterior painting bill of Rs.7,57,345/- in 2022 using lowest-grade materials, allowing costly internal DG set parts to go missing (withheld by vendors due to non-payment) and unauthorisedly using the hotel compound to

park and operate 3 pollution control dust removal vehicles belonging to its other independent business trades.

**49.** As such, the ED contends that CHPL herein respondent no.11 was fully justified under Clause 5 in rescinding the contract and retaking physical possession on June 23, 2024. The present writ petition is non-maintainable as it arises out of an expired, determinable commercial service contract between private entities, where specific performance or restoration of possession is barred under Sections 12 and 14(b) of the Specific Relief Act, 1963. Moreover, the petitioner approached this Court with unclean hands by suppressing its gross financial delinquencies and the criminal arrests of its directors for human trafficking. The Enforcement Directorate therefore submits for the dismissal of the writ petition being *WPA 17346 of 2024* with exemplary costs.

**50.** Learned Counsel appearing for the State submits that pursuant to the order dated July 23, 2026, passed by this Hon'ble Court in *W.P.A. No. 27005 of 2016 (Kalipada Pal & Anr. v. Union of India & Ors.)*, the State of West Bengal has submitted its supplementary report-in-compliance setting forth its administrative position and recommendations. It is submitted that by an earlier order dated May 11, 2015, passed in *W.P. No. 275 of 2015*, this Hon'ble Court was pleased to constitute the ADC comprising Hon'ble Justice Dilip Kumar Seth (Retd.), former Judge of the Calcutta High Court, as Chairman, along with the Inspector-General of Registration, Government of West Bengal (or his nominee) and the Managing Director of the petitioner company as members. The learned Counsel highlights that the ADC was duly empowered to

sell the corporate assets of the company and disburse the sale proceeds among the victimised depositors, subject to obtaining prior leave from this Hon'ble Court.

**51.** Regarding the immediate monetization of corporate properties, the learned Counsel submits that at present there are twenty-one hotels belonging to the Rose Valley Group of companies which can be sold for the recovery of money owed to the depositors. It is submitted that until the sale and disposal of these 21 hotels are concluded, the ADC ought to continue its functions so that the sale process can be given effect in a just and time-bound manner as this Court deems fit. Upon conclusion of the sale of these 21 hotels, the entire money collected shall be deposited directly with the ADC.

**52.** The learned Counsel further draws attention to the ongoing expenditure, submitting that all expenses incurred by the One-Man Committee have been borne directly by the State exchequer since the year 2022. To ensure that future proceedings are conducted in a cost-effective and speedy manner under judicial supervision, the State suggests that as soon as the 21 hotels of the Rose Valley Group are disposed of and the sale proceeds received, the ADC should be merged with the One-Man Committee constituted by order of this Hon'ble Court.

**53.** The Learned Counsel appearing for the SFIO has submitted its report and contends that pursuant to the order dated December 4, 2025, passed by this Hon'ble High Court and the subsequent notification dated February 13, 2026, issued by the Ministry of Corporate Affairs under Section 212(1)(c) of the

Companies Act, 2013, a comprehensive investigation was mandated into the affairs of twenty-four Rose Valley Group companies falling within the purview of the ADC. It is submitted that the scope of the investigation encompassed an exhaustive examination of all attached assets, sales transactions, financial records, valuation reports, auction proceedings and disbursement trails under Enforcement Directorate attachment and ADC oversight.

**54.** The learned Counsel points out that although the ADC was originally constituted by an order dated May 11, 2015, in *W.P. No. 275 of 2015* to monetize assets and compensate victimised investors, the committee remained substantially non-functional for nearly a decade owing to the absence of necessary infrastructure, funds, office premises and staff, becoming effectively operational only from March 2024. It is further submitted that following depositor grievances raised in *CAN No. 12 of 2024* regarding operational inconsistencies, this Court directed multi-agency audit scrutiny, which ultimately led to the present SFIO investigation.

**55.** Regarding the claim invitation methodology, the SFIO submits that the ADC invited claims exclusively through an online portal, cross-checking them against an offline database provided by the Rose Valley Group which was inherently incomplete, containing records for merely five companies whereas depositors uploaded claims pertaining to nine entities. Out of an estimated total investor base of 1.2 crore, the ADC received only 32 lakh claims, representing a meagre 25% registration rate attributable to digital-access barriers, a complete lack of public outreach and the total absence of a

dedicated helpline or grievance redressal facility on the portal. Owing to which over half of the submitted applications were returned for modification and due to absence of basic logical validation checks on the portal, approximately 14% of the applications registered a zero claim amount, rendering the aggregate portal claim figure unreliable against the group's admitted liability of Rs.9,090 crore. Furthermore, the rate of claim processing has been drastically slow, with only 4.14 lakh claims (13%) processed and disbursements made to a mere 1.75 lakh claims (5.5%), meaning that clearing the total backlog at the current pace would require more than 25 years. The learned counsel also highlights a fundamental structural flaw in inviting claims on a certificate-wise basis rather than per investor, forcing over 30% of depositors holding multiple certificates into filing highly repetitive applications.

**56.** On asset management, the SFIO submits that the total attached assets are grossly insufficient to cover the outstanding liabilities exceeding Rs.9,000 crore out of a total scam magnitude estimated at over Rs.17,000 crore. The investigation revealed significant discrepancies between the asset list of the Enforcement Directorate comprising 1,288 assets valued at Rs.1,223.07 crore and that of the ADC comprising 4,417 assets valued at Rs. 1,551.23 crore, with the ADC holding title deeds for only 29% of its attached properties. Although 242 additional untraced assets valued over Rs. 230 crore were identified during the forensic exercise, out of 864 attached immovable properties under the ADC, valuations have been completed for only 80 properties i.e., only 9% indicating

that evaluating the remaining 784 properties would take another 22 to 26 years, while only 10 properties have been successfully auctioned to date.

**57.** Mr. Swatarup Banerjee, learned counsel who has been appointed as Amicus Curie in the instant matter submits that the ADC did not discharge its duties in terms of the order dated 11<sup>th</sup> May, 2015 read with the order dated 14<sup>th</sup> December, 2017. He has drawn our attention to several minutes of the meetings held by the ADC in this regard. He contends that the ADC did not have any power or authority to allow anybody to enter into any management contract. He further submits that in terms of the order dated 11<sup>th</sup> May, 2015 read with the order dated 14<sup>th</sup> December, 2017, the ADC was only supposed to take steps for selling the properties following the guidelines framed by this Court as recorded in the order dated 11<sup>th</sup> May, 2015. He further submits that the main purpose for which the ADC was constituted for developing a scheme for recovery and monetization of the assets of the company as well as for their disbursement. No power had been given to ADC to enter into any management contract with anybody. He submits that the ADC should have approached this Hon'ble Court before allowing others to enter into the management contract and steps taken by ADC permitting to enter into the management contract is contrary to the direction of this Court. He contends that authorizing Mr. Tuhin Dey to enter into the management contract with others was beyond the scope of the powers of ADC and such authorization is contrary to the mandate of this Hon'ble Court recorded in the order dated 11<sup>th</sup> May, 2015 read with the order dated 14<sup>th</sup> December, 2017. He also submits that because of such wrongful

acts of the ADC, the depositors have suffered immensely as no effective steps have been taken by ADC for disbursal of money to the depositors.

**58.** Learned Counsel for the ADC submits that pursuant to the directions issued by this Hon'ble Court, Stock Holding Document Management Services (hereinafter referred to as 'SDMS') has submitted the future operational roadmap for web-portal-based restitution to depositors, while the Assets Disposal Committee (ADC) has submitted its audit report.

**59.** It is submitted that the financial management and administrative accounts of the ADC have been audited by independent Chartered Accountants across two distinct phases. For the initial period from October 15, 2015 to February 3, 2021 (audited by Anup Dhan Mukherjee, FCA), the Committee managed an aggregate receipt of Rs.10,39,945/-, comprising an initial seed grant of Rs.5,00,000/- from the Government of West Bengal, Rs.5,00,000/- from the defendant party and bank savings interest of Rs.39,945/-, which was utilised towards advocate fees of Rs.5,41,244/-, stenographer/clerk charges of Rs.3,07,037/- and accounting expenses, leaving a closing balance of Rs.1,87,643.25/-. For the subsequent period from February 4, 2021 to March 31, 2025 (audited by R. Sonthalia & Company, Chartered Accountants), the Committee received Rs.1,10,91,533.85/-, including Rs.1,08,00,000/- collected from Chocolate Hotels Pvt. Ltd. and Rs.50,000/- from Drisya Management Pvt. Ltd., against which administrative expenses including remuneration to the Hon'ble Chairman being Rs.54,00,000/-, legal fees being Rs.11,16,955/- and

advertisement expenses being Rs.13,93,197/- were disbursed, maintaining a closing balance of Rs. 23,90,967.68/-.

**60.** Regarding property monetisation and fund accumulation, the Learned Counsel submits that the ADC has successfully conducted public e-auctions through SEBI for 10 immovable properties and through MSTC for 4 motor vehicles, realising an aggregate sum of Rs.70,58,12,959.21/- comprising Rs.70,33,95,610/- from immovable properties and Rs.24,17,346/- from vehicle sales. At present, realised auction funds are held across designated accounts, including Rs.2.22 crore in the Punjab National Bank High Court Branch, Rs.68.15 Crores with SEBI and Rs.24.17 Lakhs with MSTC, while 97 additional movable and immovable properties remain in the pipeline for upcoming e-auctions. Furthermore, Chocolate Hotels Pvt. Ltd. remitted Rs.3,54,00,000/- directly to the ADC and directly defrayed Rs.8,29,87,355/- towards ADC staff salaries, office infrastructure and portal running costs, while the Special PMLA Court transferred Rs.517.54 crore (inclusive of accrued interest) to the ADC in April 2025. Out of these accumulated funds, the ADC has historically disbursed Rs.127,64,08,806/- to 1,73,271 depositors across 16 prior phases.

**61.** Presenting the comprehensive operational plan prepared by SDMS, Learned Counsel submits that automated fund disbursements through the SDMS web portal are scheduled to commence on September 21, 2026. To ensure system stability and verification accuracy, a trial phase will operate from September 21, 2026 to October 01, 2026, restricted to a pilot volume of 10 disbursements per day. Thereafter, operations will scale up rapidly between

September 21, 2026 and October 10, 2026, reaching a daily processing rate of 3,000 disbursements per bank working day by October 10, 2026. A major milestone event is scheduled for October 12, 2026, involving a lumpsum disbursement to approximately 60,000 investors, following which the daily run-rate of 3,000 disbursements will be sustained on a 5-day weekly basis.

**62.** Learned counsel highlights that the ADC currently holds Rs.470.38 crore in the depositors' account. Based on projected daily velocities, this entire balance of Rs.470.38 crore is estimated to be fully disbursed and exhausted within 6 months. To fully satisfy all 14,10,816 Unique Investors (aggregated on a "One Aadhaar One Payment" basis) against over 32 lakh registered claims, the total estimated fund requirement stands at Rs.1,200 crore, computed at a refund cap of up to Rs.10,200/- per unique claimant. For non-Aadhaar applications among the registered claims, a separate 3-month portal upgrade program will be executed to facilitate Aadhaar linking.

**63.** To ensure equitable distribution, payments will be prioritised sequentially using a phased bucketing structure based on aggregate deposit ranges per investor being, 1<sup>st</sup> Phase between Re. 1 to Rs. 10,200/-, 2<sup>nd</sup> Phase between Rs.10,201/- to Rs.20,000/-, 3<sup>rd</sup> Phase between Rs.20,001/- to Rs.30,000/-, 4<sup>th</sup> Phase between Rs.30,001/- to Rs. 40,000/-and 5<sup>th</sup> Phase between Rs.40,001/- to Rs. 50,000/-.

**64.** In the event that the available balance of Rs. 470.38 crore is exhausted prior to fresh financial inflows, the SDMS portal will remain fully operational for claim verification and registration, while active bank transfers will be

temporarily paused and seamlessly resumed immediately upon the receipt of additional funds or sale proceeds into the depositors' accounts.

**65.** Having heard the Learned Counsel for the parties this Court finds that views the petitioner in *WPA 17346 of 2024*, Mahijas Infra Private Limited, instituted proceedings seeking the quashing of eviction directives issued by the Asset Disposal Committee (ADC) and restoration of physical possession of Park Prime Hotel, Durgapur, alongside daily operational compensation, claiming to have executed a Management Contract Agreement on September 13, 2021, with M/s Chocolate Hotels Private Limited (CHPL) and incurred a total advance outlay of Rs.93,27,973/- towards labour liabilities, electricity arrears, municipal taxes and capital overhauls. On the other hand, respondent no.11 being CHPL and the Enforcement Directorate submitted that CHPL is a wholly-owned subsidiary of the Rose Valley Group whose attached properties fall under PMLA proceedings, that the management contract was a non-continuous service agreement for one year expiring on September 30, 2022 without formal renewal and that the petitioner committed material breaches including unauthorised sub-letting, illegal construction, financial defaults and involvement in criminal proceedings.

**66.** Upon evaluating the submissions and materials on record, this Court holds that the writ petition filed by Mahija is dismissed on the primary ground that the dispute between the parties is essentially a private commercial dispute involving complex and disputed questions of fact. Sitting as a specialised Ponzi Bench entrusted with summary powers for asset preservation and depositor

liquidation, this Court cannot entertain private contractual controversies or enforce specific performance of determinable commercial agreements, as such matters fall entirely outside the scope of its jurisdiction in these proceedings. However, liberty is granted to the petitioner to approach the appropriate civil or commercial forum for seeking necessary legal reliefs and remedies, if permissible in law.

**67.** Crucially, addressing the underlying legal validity of the contractual arrangements, this Court observes that no power save and except the supervision of the sale of assets of the Rose Valley Group and the disbursement of sale proceeds to victimised depositors was ever vested upon the Asset Disposal Committee by this Court. Consequently, M/s Chocolate Hotels Private Limited (CHPL), being a subsidiary of the Rose Valley Group, was in no way authorised on behalf of the ADC to enter into management contracts with third parties for running hotels belonging to the Rose Valley Group. By executing such unauthorised commercial contracts, CHPL improperly generated funds from the proceeds of crime, rendering all such management contracts unauthorised, null and void ab initio.

**68.** Turning next to the functioning and governance of the Asset Disposal Committee (ADC), this Court takes serious judicial note of the performance of the ADC over the past decade from 2015 to 2026. Referring to the investigation findings submitted by the Serious Fraud Investigation Office (SFIO) and multi-agency audit reports, it is recorded that the ADC remained substantially non-functional for nearly ten years due to severe deficiencies in infrastructure,

funding, office premises and administrative staff. This Court observes that while the principal mandate entrusted to the ADC was to identify, value and attract prospective investors for the timely disposal and monetisation of attached Rose Valley properties, its actual operational performance has fallen substantially short of that core objective.

**69.** In examining the record of asset monetisation, it is noted that during this decade-long tenure, the ADC issued public advertisements on merely two occasions for inviting investors/depositors. Even on those rare occasions, the public response was exceptionally poor, attracting only about 25% of expected investors/depositors while leaving nearly 75% of the affected depositors completely unreachable. Consequently, the ADC failed to discharge its fundamental responsibility of ensuring wider public participation in the property disposal and sale process. Furthermore, despite administering attached assets valued at approximately Rs. 600 crore under its supervision, the ADC succeeded in disbursing only around Rs. 55.45 crore to victimised depositors, leaving over 90% of the corpus undistributed alongside massive claim scrutiny backlogs. The SFIO inspection further revealed that out of the attached immovable properties under the ADC's oversight, valuations were completed for only 80 properties representing a meagre percentage of the total properties and merely 10 properties were successfully auctioned over eleven years.

**70.** In evaluating the overall conduct of the Committee over the last eleven years from 2015 to 2026, this Court expresses grave dissatisfaction with the

Committee's sluggish pace of functioning, systematic mismanagement of depositors' accounts and total failure to safeguard corporate assets. Instead of fulfilling its liquidating mandate, the ADC permitted the generation of funds from proceeds of crime by allowing illegal management contracts to be executed with third parties through CHPL, a Rose Valley subsidiary. As a direct result of this prolonged administrative inertia and inability to sell corporate assets, the value of moveable properties under administration has depreciated to almost nil, while the majority of immovable properties have fallen into a severely dilapidated condition.

**71.** To remedy these ongoing operational deficiencies and enforce strict administrative accountability, this Court, taking into consideration earlier directions dated December 14, 2017, requests the State of West Bengal to direct Deputy Director, Director of Economic Offences to become an integral part of the functioning of the ADC by maintaining continuous oversight, and extending all necessary assistance. Furthermore, the ADC is granted a final extended period of five months as requested by Mr. Bachawat, Id. Senior Counsel appearing for the ADC to complete the process of selling attached properties (movable and immovable) and disbursing proceeds to eligible claimants/depositors. Crucially, prior to the final completion of the exercise, the entire depositor fund amounting to Rs.550 crore held in the depositors' account must be fully disbursed against the 32,43,220 pending claims before the ADC within 15<sup>th</sup> November, 2026. During this extended period, the ADC shall submit a monthly compliance report before this Court with the first report

being on November 17, 2026 enabling continuous judicial monitoring until its assigned responsibilities are concluded. Upon the expiry of this extended timeline ending on February 28, 2027, if any residual assets, undistributed funds or unresolved administrative matters remain, the same shall stand automatically transferred to the One-Man Committee for appropriate legal action.

**72.** Having concluded that the ADC's prolonged inefficiency and mismanagement cannot be permitted to continue indefinitely to the prejudice of helpless investors, this Court orders that the Assets Disposal Committee shall be merged with the Justice S. P. Talukdar Committee (also referred to as 'JSPTC'), which is already managing the claims of victimised depositors across 103 Chit Fund Companies after the aforesaid period of five months.

**73.** Post-merger, the standard operating procedure established and followed by the JSPTC regarding the 103 Chit Fund Companies shall automatically apply to the Rose Valley Group of Companies. Upon finalising all procedural and administrative formalities of the merger, the JSPTC shall submit a comprehensive status report before this Court regarding the Rose Valley Group of Companies. Finally, as submitted in the report of the State of West Bengal, the State authorities shall extend their full cooperation and take prompt initiatives throughout the merger process with the sole objective of refunding all helpless depositors expeditiously. Similarly, the Enforcement Directorate, as a key statutory stakeholder of the ADC, shall extend complete cooperation to ensure the smooth execution of these judicial directions. The Enforcement

Directorate is also directed to attach any other properties which have not yet been attached by them as mentioned in the report of the SFIO and file a fresh report on November 19, 2026.

**74.** The SFIO is directed to complete its forensic audit on all Rose Valley Group of Companies within December 31, 2026 and file its final report thereafter.

**75.** With the aforesaid observation WPA 17346 of 2024 stands disposed of. Other matters be listed on 1<sup>st</sup> October, 2026, for consideration.

**76.** All parties shall act upon the server copy of this judgment, duly downloaded from the official website of this Hon'ble Court.

.....  
(Rajarshi Bharadwaj, J)

.....  
(Sudip Deb, J)

**Kolkata**  
**PA (BS)**  
**29.09.2026**