

**HON'BLE THE ACTING CHIEF JUSTICE DILIP B. BHOSALE
AND
THE HON'BLE SRI JUSTICE S.V. BHATT**

WRIT APPEAL No. 579 of 2015

Dt:14.07.2015

Between:

Sri Ayyappa Handloom Weavers Co-operative
Production and Sales Society Limited.

... Appellant

And

The State of Andhra Pradesh,
Rep. by its Principal Secretary,
Department of Handlooms and Textiles,
Secretariat, Hyderabad and others.

... Respondents

**HON'BLE THE ACTING CHIEF JUSTICE DILIP B. BHOSALE
AND
THE HON'BLE SRI JUSTICE S.V. BHATT**

WRIT APPEAL No. 579 of 2015

PC: (per the Hon'ble the Acting Chief Justice Dilip B. Bhosale)

The writ petitioner is in appeal against the order, dated 26.06.2015, whereby his writ petition No.7096 of 2015 has been dismissed. In the writ petition, the appellant sought to challenge the proceedings, dated 08.01.2015, issued by respondent No.2 ordering an enquiry under Section 51 of the Andhra Pradesh Cooperative Societies Act, 1964 (for short 'the Act') into affairs of the appellant-society.

Mr.S.Lakshma Reddy, learned Senior Counsel appearing for the appellant, at the outset, invited our attention to a letter, dated 26.11.2013, addressed by the Deputy Director (Enforcement) to the Director of Handlooms and Textiles, which, according to the appellant, is an enquiry report submitted by him after holding an enquiry in respect of the same allegations, for which respondent No.2 has now ordered a fresh enquiry under Section 51 of the Act.

We have perused the letter, dated 26.11.2013, and it appears therefrom that the Deputy Director conducted a preliminary enquiry. It is not in dispute that the enquiry conducted by the Deputy Director was not an enquiry contemplated by Section 51 of the Act. In view thereof, the observations made by learned Judge in paragraphs 3 and 4 of the impugned order cannot be faulted. Paragraphs 3 and 4 read thus:

The learned counsel for the petitioner submits that already an inquiry was conducted and the present inquiry is a futile

exercise and initiated at the instance of some politicians. But, a reading of the impugned order shows that the present inquiry is ordered in exercise of the powers conferred on the second respondent under Section 51 of the Act. The learned counsel for the petitioner further submits that the inquiry is initiated without any complaint from any source. A reading of Section 51 of the Act makes it clear that the Registrar can order for an inquiry on his own without any complaint from other source.

In the circumstances, this Court sees no ground to interfere with the order passed by the second respondent dated 08.01.2015. However, in view of lapse of six months and the inquiry is not completed, the third respondent shall complete the inquiry within a period of 60 days from the date of receipt of a copy of this order.

From the impugned proceedings, it is clear that the Director, in exercise of his powers under Section 51 of the Act, desires to conduct an enquiry into the instances of misappropriation and mis-utilisation of scheme funds. It is open to the appellant to prove their innocence during the enquiry.

With these observations, the writ appeal is dismissed. We hope and trust that the Enquiry Officer shall complete the enquiry expeditiously.

Consequently, miscellaneous petitions, if any, also stand disposed of.

DILIP B. BHOSALE, ACJ

S.V. BHATT, J

Dt:14.07.2015
kdl

