

**THE HON'BLE SRI JUSTICE M.S. RAMACHANDRA
RAO**

WRIT PETITION No.41507 of 2015

ORDER:

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This Writ Petition is filed challenging the order dt.14-12-2015 of the 2nd respondent exercising *suo motu* power under Section 51 of the A.P. Cooperative Societies Act, 1964 (for short "the Act") and directing an enquiry into the affairs of the Gorintada P.A.C.S.

2. Learned counsel for petitioner submits that the 2nd respondent ought not to have exercised *suo motu* powers on the basis of news paper reports alleging some wrong doing in paddy procurement business in the said Society and that none of the reports quoted in the impugned order have been supplied to petitioner, who is President of the said Society.

3. Learned Government Pleader appearing for respondents states that under Section 51 of the Act, the 2nd respondent is empowered to initiate action *suo motu* when there are serious allegations in relation to the working and financial condition of a Society come to his notice, even if this information comes from news items; and that if the petitioner has not committed any irregularity,

the petitioner should not be afraid of an enquiry under Section 51 of the Act.

4. It is not the case of petitioner that 2nd respondent has no jurisdiction to initiate enquiry under Section 51 of the Act. It is also not the case of petitioner that 2nd respondent cannot *suo motu* initiate such an enquiry. The news paper reports referred to in the impugned order are not the only reason for initiation of action against the said Society and are in addition to the detailed reports of the Divisional Cooperative Officer, Bhimavaram dt.30-11-2015 and 14-12-2015 pointing out serious financial and administrative irregularities in the conduct of paddy procurement business and functioning of the said P.A.C.S. The latter reports are specifically mentioned in the impugned order.

5. Therefore, the action of 2nd respondent cannot be said to be illegal and arbitrary or violative of Article 226 of the Constitution of India and provisions of the Act. I do not find any merit in the Writ Petition.

6. Therefore, the Writ Petition is dismissed. No costs.

7. As a sequel, miscellaneous petitions pending if any, in this Writ Petition shall stand closed.

JUSTICE M.S. RAMACHANDRA RAO

Date: 22-12-2015

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