

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

WRIT PETITION NO.26445 of 2007

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Between:

The Bayyanagudem Primary Agricultural

Cooperative Credit Society Ltd.,

Rep. by its Prsident,

Sri Parepally Veera Swamy

PETITIONER

AND

1. The District cooperative Central bank Limited, Koyyalagudem Branch,
West Godavari District, rep. by its Branch Manager, and others.

RESPONDENTS

ORDER:

Communication dated 08.11.2007 of the 1st respondent through which, the Branch Manager informed to the petitioner that the account of the petitioner is kept under suspension as there is a dispute with regard to the person who is authorized to operate the said account, is under challenge in this writ petition

The case of the petitioner is that initially on the instructions given by the Divisional Cooperative Officer through letter dated 18.09.2007, the petitioner passed a resolution dated 27.09.2007 suspending the then secretary viz., T. Venkat Reddy,

who was authorized to operate the bank account, and through a further resolution nominated one Sri K. Srimannarayana, Assistant Secretary to operate the same. Thereafter the petitioner appear to have intimated the Bank by another resolution dated 3.11.2007 that Sri T. Venkata Reddy was reinstated as Secretary of the petitioner-Society and he was once again entrusted with the powers to deal with the bank account for and on behalf of the society. Notwithstanding the resolution dated 3.11.2007 and the letter dated 6.11.2007 addressed by the petitioner, the 1st respondent Bank intimated to the petitioner that the suspension orders of the Divisional Cooperative Officer are still in force and since there are not terminated no permission can be granted to the said T. Venkat Reddy to operate the account. This stand taken by the 1st respondent-Bank is impugned in this writ petition.

Heard Smt. A. Jayanhi, learned counsel for the petitioner and Smt. Bobba Vijayalakshmi, learned Standing Counsel for respondents 1 and 2.

The facts are not in dispute. The 1st respondent-Bank, under the Banking Regulations, is to act in terms of the instructions given by its customers. In the present case, the petitioner is the customer of the 1st respondent-Bank. It is not in dispute that the petitioner-society originally authorized one T. Venkata Reddy to operate the bank account. In the interregnum period, one Sri K. Srimannarayana, Assistant Secretary was authorized to operate the bank account in place of Sri T. Venkata Reddy. Thereafter, once again by resolution dated 3.11.2007 Sri T. Venkata Reddy, the original Secretary, came to be re-nominated and authorized to operate the bank account for and on behalf of the petitioner-society. Once there is a fresh resolution and as long as the same is authentic and subsist, the bank is required to honour the said resolution as it is the choice of the customer to nominate/authorize any person of its choice to operate the bank account to deal with the affairs of the society.

In the present case, there being no dispute that the person, who has been authorized vide resolution dated 3.11.2007 is the person, who is nominated by the petitioner-society in its meeting. The stand of the 1st respondent that earlier orders of suspension are required to be terminated by the District Cooperative Officer, is totally out side the power of the 1st respondent.

This Court while admitting the writ petition on 12.12.2007 passed a detailed

order in W.P.M.P.No.34481 of 2007 permitting Sri T. Venkata Reddy, who was reinstated as Secretary of the petitioner-society, to operate the bank account.

Having regard to the facts and circumstances of the present case, I deem it appropriate to make the interim order dated 12.12.2007 as final order in the writ petition. Accordingly, the communication dated 8.11.2007 in so far as not allowing Sri T. Venkata Reddy to operate the bank account for and on behalf of the petitioner-society, is illegal and the same is liable to be set aside and is set aside.

Accordingly, the writ petition is allowed. As a sequel, pending miscellaneous petitions, if any, shall stand closed.

CHALLA KODANDA RAM, J.

17th December, 2015

Js.