

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA
PRADESH**

**FRIDAY, THE ELEVENTH DAY OF MARCH TWO
THOUSAND AND SIXTEEN**

Present

HON'BLE SRI JUSTICE S.V. BHATT

WRIT PETITION No.21829 of 2008

Between:

P.V.V. Satyanarayana,
S/o. Veera Raju,
Aged about 39 years, Occ: President,
R/o.N.T. Rajapuram,
Gandepalli Mandal,
East Godavari District.

.. Petitioner

AND

The Joint Registrar/District Cooperative Officer,
East Godavari District,
Kakinada & 7 others

.. Respondents

The Court made the following:

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HON'BLE SRI JUSTICE S.V. BHATT

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WRIT PETITION No.21829 of 2008

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ORDER:
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The president of Gandepalli Primary Agricultural Cooperative Society challenges the proceedings bearing No.Rc.No.1024/2008-A, dated 09.09.2008, issued under Section 52 of the Andhra Pradesh Cooperative Societies Act, 1964 (for short, 'the Act') as illegal and suffer from arbitrariness. The operative portion of the impugned proceedings read thus:

"Now, therefore, in exercise of the powers conferred on the Joint Registrar / District Cooperative Officer, Kakinada by the provisions of Section 52 of Andhra Pradesh Cooperative Societies Act, 1964 read with G.O. Ms. No.34, Food & Agricultural (Coop. IV) Department, dated 16.1.1989 and G.O. Ms. No. 19, Agricultural & Cooperation (Coop. IV) Department, dated 1.2.1995, I, the Joint Registrar / District Cooperative Officer, Kakinada hereby order an Inspection under Section 52 of Andhra Pradesh Cooperative Societies Act, 1964 into the affairs of the Gandepalli Primary Agricultural Cooperative Credit Society Ltd., Gandepalli with special reference to the heavy expenditure incurred on legal cases in the Society during the years 2006 and 2007 and authorize Sri M. Ramamohana Rao, Divisional Cooperative Officer, Peddapuram as Inspecting Officer to conduct the Inspection under Section 52 of Andhra Pradesh Cooperative Societies Act, 1964.

The Inspecting Officer should examine all the aspects of the case in detail and fix-up specific responsibility in respect of lapses if any proved on the persons responsible and connected to proven irregular transactions and irregularities if any in the society and report the same by furnishing his findings and suggestions in the Inspection Report.

The Inspecting Officer should complete the Inspection within a period of 45 (Forty Five Days) from the date of this Proceedings and the Inspection Report should be submitted in full shape with in the time limit specified above."

2. On 30.09.2008, this Court granted *interim* suspension of the proceedings, dated 09.09.2008. Respondents 1 and 2 filed petition to vacate the *interim* order, dated 30.09.2008.

3. I have heard the learned counsel appearing for the parties and my attention has been specifically drawn to the circumstances referred in the counter affidavit to contend that the initiation of inspection of society's record at the instance of defaulting debtors *prima facie* does not come within the scope of Section 52 of the Act and secondly because of the persistent efforts made by the President of the Society, the defaulting debtors have paid the outstanding amounts to the society and in such cases, ordering inspection amounts to exercising power for collateral reasons.

4. Learned Assistant Government Pleader, however, refutes each one of the submissions made by the learned counsel for the petitioner.

5. The fact of the matter is inspection of record under Section 52 of the Act was ordered on 09.09.2008. On 30.09.2008, this Court granted *interim* suspension and the same is in force as on date. In the interregnum, the developments are that the defaulting debtors are stated to have paid the dues to the society and inspection of record would arise if the amount towards legal expenses have been incurred and the amounts are not received from the debtors. What weighed with the second respondent to issue impugned proceedings is legal expenses met by the President. With the changed circumstances, I am of the view that the Joint Registrar/District Cooperative Officer, East Godavari District, is required to re-consider whether there is necessity of causing inspection of society's records or not. I am satisfied the writ petition can be disposed of with the following order:

The *interim* suspension granted on 30.09.2008 is directed to be

continued for a period of three (3) months from today. The petitioner is given liberty to file detailed representation within a period of four (4) weeks from today before the first respondent explaining the developments in the interregnum and also the satisfactory recoveries affected by him from the defaulting parties. On receipt of such representation, the first respondent is directed to take a decision whether inspection of record is still necessary and if so, communicate to the petitioner within a period of eight (8) weeks thereafter. As *interim* suspension is limited for three (3) months from today, it is made clear that the first respondent completes the exercise as directed in this order within the time frame.

6. With the above observations, the Writ Petition is disposed of. There shall be no order as to costs. Miscellaneous petitions, if any, pending in this writ petition shall stand closed.

S.V. BHATT, J

Date: 11th March, 2016

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HON'BLE SRI JUSTICE S.V. BHATT

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Date: 11th March, 2016

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