

**THE HON'BLE SRI JUSTICE A.RAMALINGESWARA RAO**

**WRIT PETITION No.33160 of 2017**

**ORDER:**

Heard the learned Counsel for the petitioner and the learned Government Pleader for the respondents.

The elected Secretary of the petitioner Society filed the present Writ Petition challenging the proceedings of the third respondent dated 21.09.2017 ordering an inquiry under Section 51 of the Andhra Pradesh Cooperative Societies Act into the constitution, working and financial position of the petitioner Society.

The petitioner states that the Society was registered in the year 1989 and the area of operation pertains to the Anakapalli Division Postal Employees, which was later on extended to the entire Visakhapatnam District Postal Employees. The membership of the Society is 672. It appears that one Sri D.S.R.Prasad and others submitted a representation to the District Collector, Visakhapatnam, on 07.08.2017 alleging certain irregularities and financial impropriety to the extent of Rs.2.00 crores alleged to have been committed by the President of the Society and sought for an inquiry. The said D.S.R.Prasad himself worked as a Secretary during the year 2003 to 2006 and was a member of the Managing Committee upto 2013. On the said representation and further representation dated 21.08.2017, the matter was entrusted to the Assistant

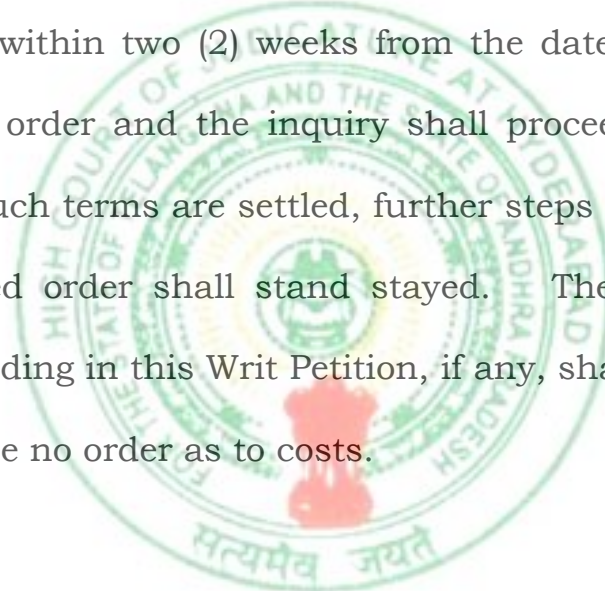
Registrar, Sub Division, Anakapalli, for conducting a *prima facie* inquiry on the allegations contained therein. The said Assistant Registrar has conducted the inquiry and submitted a report. Based on the said report, when the third respondent issued the impugned proceedings dated 21.09.2017 ordering for a regular inquiry under Section 51 of the Andhra Pradesh Cooperative Societies Act, the present Writ Petition is filed.

Learned Counsel for the petitioner submits that the inquiry earlier conducted by the Assistant Registrar revealed only some minor irregularities and the representation was not signed by the signatories alleged to have signed the said representation. She further submits that the present order does not contain the terms of reference and hence, it is vitiated. Learned Government Pleader, on the other hand, submits that the terms of reference will be settled by the Inquiry Officer and the inquiry would be conducted only in accordance with the terms of reference.

A perusal of the impugned order dated 21.09.2017 clearly shows that the Divisional Cooperative Officer in his report dated 13.09.2017 reported grave financial irregularities in the conduct of the petitioner Society and in view of the same, he ordered for conducting a statutory inquiry. Accordingly, the third respondent held it expedient to inquire into the affairs of the Society and to take steps to safeguard the larger interest of the members and funds of the Society, and appointed the fifth

respondent as the Inquiry Officer. It is no doubt true that the impugned order does not contain the terms of reference and this Court in W.P.No.17530 of 2008, dated 06.11.2008, and W.P.No.27528 of 2017, dated 18.08.2017, held that the inquiry ordered should contain the terms of reference.

The only irregularity now noticed in the impugned order is with regard to the terms of reference and in view of the same, this Writ Petition is disposed of directing the third respondent to indicate the terms of reference through separate set of proceedings within two (2) weeks from the date of receipt of a copy of this order and the inquiry shall proceed only on that basis. Till such terms are settled, further steps in pursuance of the impugned order shall stand stayed. The miscellaneous petitions pending in this Writ Petition, if any, shall stand closed. There shall be no order as to costs.



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**(A.RAMALINGESWARA RAO, J)**

04.10.2017  
vs