

THE HONOURABLE SRI JUSTICE M.S.RAMACHANDRA RAO

WP.No.1995 of 2018

ORDER :

Heard the counsel for petitioners, and Sri K.V. Seshagiri Rao, counsel for 4th respondent.

2. The petitioners' grievance is that a sum of Rs.10 lakhs has been sanctioned by 4th respondent-Bank to the Srirangapatnam Primary Agricultural Co-operative Society (**for short, 'P.A.C.S.'**), for construction of a new building since its existing building was in a dilapidated condition at Koti Village, Korukonda Mandal, East Godavari District, on 08.12.2017; that the Gram Panchayat also passed a resolution No.53 dt.03.11.2017 approving the plan for the construction of Office of the said Society in the said Village; that the said Society passed a Resolution on 27.09.2017 in its General Body to construct building at Koti Village with the amount sanctioned by the 4th respondent-Bank; but after the construction progress, on the pretext that the M-Book was not submitted Rs.4 lakhs of the loan amount was not released; and in addition, it is contended that the loans sanctioned to the Members of the said Society are also not released at the instance of respondent nos.5 and 6.

3. On 23.07.2018, this Court passed the following order :

"Post on 30.07.2018 in M.L.

The Nodal Officer attached to 4th respondent-Bank shall inspect the premises where construction is being taken up by the petitioner-

Society; note the progress of construction; take photographs, and produce the same before this Court with a report about, to what stage the construction has progressed and how much more is to be done.”

4. Pursuant thereto, the Inspection Officer of the 4th respondent-Bank visited the site construction and submitted a report dt.28.07.2018, which was taken note of by the Court, and the following order was passed on 30.07.2018 :

“Heard both sides.

The report of the Nodal Officer dt.28-07-2018 addressed to the Chief Executive Officer, the District Cooperative Central Bank Limited, Kakinada (4th respondent) placed before this Court today, states that the Panel Engineer of the Bank had visited the site of the construction and has assessed that Rs.15,00,000/- worth of work for construction of the ground floor of the new PACS building for Sri Rangapatnam PACS building at Koti village of Korukonda Mandal has been completed.

Since the said Bank has sanctioned a sum of Rs.10,00,000/- for the construction of the said building, and since it's own Engineer has certified for the construction of the ground floor of Rs.15,00,000/- has been completed, the 4th respondent is directed to release the balance amount of Rs.4,00,000/- sanctioned for the construction of the said building

It is made clear that in case the Bank is not willing to finance the construction of 1st floor of the said Society, it is open to the petitioners to complete the same either with their own funds or otherwise, and the 4th respondent shall have no objection for the same.

Post after three (03) weeks in Adjourned Motion List.”

5. When the counsel for the Bank was questioned about release of Rs.4 lakhs, the Counsel sought time to get instructions and then informed that a decision was taken by the 4th respondent to release the balance of loan of Rs.4 lakhs (out of Rs.10 lakhs sanctioned to the said Society), and it was deposited in the Current Account of the said Society.

6. The learned Standing Counsel for 4th respondent states that the Writ Petition be therefore closed, since the grievance of petitioners is thus redressed.

7. Having regard to the said submission, leaving it open to the petitioners to canvass their claim for release of the loan amounts sanctioned to the Members of the Society in a separate proceeding, the Writ Petition, insofar as release of the balance of loan of Rs.4 lakhs is concerned, is closed since the said amount has since been released.

8. However, it is open to petitioners to complete the first floor of the Office of the said Society also either with their own funds or otherwise, if the 4th respondent is not willing to finance its construction.

9. Accordingly, the Writ Petition is disposed of with the above directions. No order as to costs.

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

JUSTICE M.S.RAMACHANDRA RAO

Date: 04.09.2018

Ndr/*