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APHC010513812025



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3458]

WEDNESDAY, THE 1st DAY OF JULY 2026

PRESENT

THE HONOURABLE SMT JUSTICE KIRANMAYEE MANDAVA

WRIT PETITION NO: 26773/2025

Between:

Goddeti Venkata Durga Rao

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1. PEDDIBHOTLA VENKATA SAI RAJESH

Counsel for the Respondent(S):

1. GP FOR COOPERATION

WRIT PETITION NO: 21630/2025

Between:

Nalluri Balakrishna,

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1. PRABHU NATH VASIREDDY

Counsel for the Respondent(S):

1. GP FOR COOPERATION

WRIT PETITION NO: 23748/2025

Between:

Pamidimukkala Umadevi,

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.PRABHU NATH VASIREDDY

Counsel for the Respondent(S):

1.GP FOR COOPERATION

WRIT PETITION NO: 23751/2025

Between:

Nalluri Balakrishna

...PETITIONER

AND

The State Of Ap and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.PRABHU NATH VASIREDDY

Counsel for the Respondent(S):

1.GP FOR COOPERATION

WRIT PETITION NO: 24382/2025

Between:

Mandala Venkata Siva Rama Koti Reddy

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.PRABHU NATH VASIREDDY

Counsel for the Respondent(S):

1.Dr.MALLADI KOTESWARA RAO

2.GP FOR COOPERATION

WRIT PETITION NO: 26796/2025

Between:

Goddeti Srinivasa Rao

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.PEDDIBHOTLA VENKATA SAI RAJESH

Counsel for the Respondent(S):

1.GP FOR COOPERATION

WRIT PETITION NO: 28395/2025

Between:

Govada Subba Rao

...PETITIONER

AND

The State Of Andhra Pradesh and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1.PEDDIBHOTLA VENKATA SAI RAJESH

Counsel for the Respondent(S):

1.GP FOR COOPERATION

The Court made the following:

COMMON ORDER:-

Heard Sri Peddibhotla Venkata Sai Rajesh and Sri Prabhunath Vasireddy, learned counsel for the petitioner(s) and learned Government Pleader for Cooperation appearing for the respondents.

2. Since the issue involved in all these cases is the same, it is deemed appropriate to dispose of the writ petitions by way of a common order.

3. Challenging the proceedings of the 4th respondent issued under Section 60 of the Andhra Pradesh Cooperative Societies Act, 1964 (for short, “the Act”) against the petitioner for recovery of Rs.45,01,278/- with interest at 18% per annum, the instant writ petition is filed.

4. It is contended that the petitioner was appointed as Staff Assistant in Guntur District Co-operative Central (GDCC) Bank, Koritepadu Branch, Guntur District. While he was working as Supervisor, an inspection into the affairs of the 6th respondent PACS was ordered. The report submitted pursuant to the said inspection, reported loss of Rs.1.48 crores to the 6th respondent. Thus, an inquiry under Section 51 of the Act was ordered, appointing the 5th respondent as inquiry officer. The 5th respondent submitted his report. The petitioner contends that the said report did not point out or attribute any irregularities against the petitioner. However, basing on the said report, the respondents have proposed to impose liability on the petitioner as well. Challenging the same, the writ petition was filed in W.P.No.20264 of 2023. After initial interim orders, the said writ petition was

dismissed vide common order in W.P.No.13829 of 2023 and batch. Against which, the batch of writ appeals were filed.

5. It is contended that after dismissal of the writ petition, the 4th respondent herein issued surcharge proceedings under Section 60 of the Act against the petitioner and others who are all working in the Guntur District Cooperative Central Bank. It is contended that as an enquiry was also ordered into the affairs of the PACS, the 6th respondent herein, the surcharge proceedings can be initiated against the persons were working in the PACS, or responsible for managing the affairs of the Society. The petitioner, who is not an employee of the 6th respondent cannot be held liable in any manner.

6. The learned counsel for the petitioner in support of his contention places reliance on the judgment rendered by the Division Bench of this Court in W.A.No.915 of 2024 and batch, in respect of the same Guntur District Co-operative Central (GDCC) Bank, and prays for disposal of the writ petition in terms of the said order.

7. The respondents filed counter affidavit contending that the petitioner, being a supervisor of the bank who has been assigned the job of supervisor, before disbursing the loans should visit the residence of the applicant to ensure himself about the repayment capacity of the applicant and then recommend for grant or decline. Due to dereliction in discharge of his duties, the society had incurred losses. Therefore, the impugned proceedings have been rightly initiated to recoup the losses. Accordingly, prays for dismissal of the writ petition.

8. Considered the submissions.

9. It has been held by the Division Bench that:

“15. Section 60 of the Act, stipulates that surcharge proceedings can be initiated against any past or present officer or servant of the society or any person who is or was entrusted with authorization the affairs or management of the society. The relevant part of Section 60, is as follows:

“it appears that any person who is or was entrusted with the organisation, affairs or management of the society or any past or present officer or servant of the society has misappropriated or fraudulently retained any money or other property or has been guilty of breach of trust in relation to the society or has caused any deficiency in the assets of the society by breach of trust or wilful negligence or has made any payment contrary to the provisions of this Act, the rules or the bye-laws,”

In view of the specific language of Section 60, Surcharge proceedings, under this provision, can be initiated, only against past or present employees or persons who had been entrusted with the affairs of the society. Surcharge proceedings cannot be initiated against any person, other than those enumerated in Section 60 of the Act.

16. In the present case, the appellants are either past or present officers or servants of the primary societies, who affairs had been subjected to an inquiry under Section 51 of the Act. In the present case, no material has been produced before this Court nor is the case of the authority that the appellants were persons who were entrusted with the organization, affairs or management of the society. The appellants in the present case are employees of the District Bank. They are not employees of the primary society, whose affairs were subjected to an inquiry.”

Thus, the Division Bench disposed of the appeals observing that:

“20. In these circumstances, these Writ Appeals are disposed of with a direction to the respondents not to take any further steps, under

Section 60 of the Act, while it would still be open to the respondents to initiate such disciplinary proceedings or criminal proceedings that are thought fit. Needless to say, the appellants would have every right to rebut any allegations made against by them, in the disciplinary proceedings or criminal proceedings, if any. It is also made clear that neither this order or the judgment of the learned single Judge, shall be treated as any finding of fact and all questions of fact are left open.”

10. Having regard to the same, in the present facts of the case, as it is stated that all the petitioners are employees of the Guntur District Cooperative Central Bank and they have no role to play in the affairs of Primary agricultural Co-operative societies, placing reliance on the judgment of Division Bench referred supra, the writ petitions are disposed of in terms of the Judgment of the Division Bench in W.A.No.915 of 2024 and batch.

11. Registry is directed to append a copy of the order dated 23.04.2026 in W.A.No.915 of 2024.

12. In view of the foregoing, the writ petitions are disposed of. There shall be no order as to costs.

As a sequel, miscellaneous applications pending, if any, shall also stand closed.

JUSTICE KIRANMAYEE MANDAVA

Dated: 01.07.2026
ANI

Whether the common order is:

Speaking	✓	Reasoned	
Reportable		Non-reportable	✓

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THE HONOURABLE SMT JUSTICE KIRANMAYEE MANDAVA

WRIT PETITION NOS:26773, 21630, 23748, 23751, 24382, 26796 and 28395
of 2025

Dated: 01.07.2026

ANI