



**IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI
(SPECIAL ORIGINAL JURISDICTION)**

**WEDNESDAY, THE TWENTY FOURTH DAY OF SEPTEMBER,
TWO THOUSAND AND TWENTY FIVE**

:PRESENT:

THE HONOURABLE SRI JUSTICE K SREENIVASA REDDY

WRIT PETITION NO: 26403 OF 2025

Between:

N.Balasubramanyam, S/o. N.Rajareddy Aged about 54 years, Occ. Ex-Director R/o. 1-230, Kotha Palli, S.R.Puram Kothapalli, Chittoor District Andhra Pradesh - 517 167.

...Petitioner

AND

1. The State of Andhra Pradesh, Rep. by its Principal Secretary Department of Agriculture, Co-operation & Marketing State Secretariat, Velagapudi Guntur District, Andhra Pradesh.
2. The Commissioner for Cooperation & Registrar of Co-operative Societies, (CC & RCS) Sky Lark Towers, D.No.2-16-83 11th Line, Syamala Nagar Guntur, Andhra Pradesh - 522006.
3. The District Collector, Chittoor Collector's Office, Chittoor Andhra Pradesh.
4. The District Co-operative Officer/ District Registrar, Chittoor District, Chittoor.
5. The District Revenue Officer/ Inquiry officer, Chittoor District, Chittoor.
6. The Chittoor District Co-operative Central Bank, Head Office at D.No.2 -1244, K R Palle, Chittoor Andhra Pradesh - 517 001 Rep. by its CEO.

...Respondents

Petition under Article 226 of the Constitution of India is filed praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a writ or order or more in direction or Writ of Mandamus, declaring the actions of the Respondents in conducting a biased and sham inquiry into the affairs of the 6th Respondent Bank under Sec.51 of A.P. Co-operative Societies Act, 1964 and thereafter unilaterally acting on the inquiry report allegedly dated 20.05.2025 without following the due procedure as stipulated in the A.P. Co-operative Societies Act, 1964 and the rules framed thereunder, as the said action is illegal, arbitrary and in violation Articles 14, 19 AND 21 of the Constitution of India and as well as being in contra to the provisions of the Andhra Pradesh Co operative Societies and consequentially quash the impugned inquiry report allegedly dated 20.05.2025;

IA NO: 1 OF 2025:

Petition under Section 151 CPC is filed praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings pursuant to the Sec.51 inquiry report dated 20.05.2025 of the 5th Respondent, pending disposal of WP.No.26403 of 2025, on the file of the High Court.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of M/s Indus Law Firm for the Petitioner and GP for Cooperative Society for the Respondent No.1 and GP for Revenue for the Respondent Nos.3 & 5 and Sri S.Vijay Kumar, Standing Counsel for the Respondent No.6, the Court made the following;

ORDER:

“The Writ Petition is filed seeking to declare the action of the respondents in conducting a biased and sham inquiry into the affairs of 6th respondent Bank, under Section 51 of the AP Cooperative

Societies Act, 1964, (for short "the Act") and unilaterally acting on the inquiry report dated 20.05.2025, without following due procedure as stipulated under the Act and the Rules framed thereunder, as illegal and arbitrary and consequently quash the impugned inquiry report dated 20.05.2025.

Heard learned counsel for the petitioner and Sri P. Veera Reddy, learned Senior Counsel appearing on behalf of Sri S. Vijaya Kumar, learned Standing Counsel for respondent No.6 – Bank.

Learned counsel for the petitioner submitted that the enquiry under Section 51 of the Act has been initiated at the instance of one B.N. Rajasimhulu, @ Dorababu, Ex.MLC and news article published in Eenadu Telugu Daily Newspaper with caption "Sahakaram Praja Prathinidhi Swahakaryam" on 08.10.2014. He relied upon a decision of the combined High Court for the State of Telangana and the State of Andhra Pradesh reported in Mekala Obula Reddy and others v. The Government of Andhra Pradesh, rep. by its Secretary, Department of Cooperation (2014 0 Supreme (AP) 1566) : (2017 1 ALD 187), and submitted that the enquiry under Section 51 of the Act has to be initiated by the Registrar"s own motion or on the application of a society to which the society concerned is affiliated or of not less than one third of the members of the Committee or of not less than one fifth of the total number of members of the society. But, in the case on hand, the inquiry that has been conducted is not in accordance with law.

On the other hand, learned Senior Counsel appearing on behalf of respondent No.6 - Bank submitted that basing on the information received by the respondent authorities an inquiry was conducted, but in pursuance of the same, absolutely no action has been proposed against the petitioner herein so far.

Heard. Perused the record.

Apparently, in the proceedings of the District Collector, dated 22.11.2024, it was observed as follows.

“In the light of the adverse news items published and allegations in vide 1st and 2nd read above, it is felt necessary to order an enquiry under Section 51 of the Andhra Pradesh Cooperative Societies Act, 1964 into the constitution working and financial condition of the Chittoor District Cooperative Central Bank Limited, Chittoor, with special reference to the allegations leveled by Sri B.N. Rajasimhulu, Ex-MLC and to unearth all other irregularities, malpractices and misappropriation took place in the Bank Head Office and its branches besides identifying persons responsible.”

A bare perusal of the aforesaid proceedings goes to show that the inquiry has been initiated at the instance of one B.N. Rajasimhulu, Ex-MLC.

In Mekala Obula Reddy"s case (supra), it was observed that the enquiry initiated at the instance of Ex-MLA would be in violation of Section 51 of the Act and the same was declared as illegal, arbitrary and null and void.

In view of the aforesaid facts and circumstances of the case, this Court is of the opinion that the balance of convenience is in favour of the petitioner herein.

Hence, there shall be interim stay of all further proceedings pursuant to Section 51 inquiry report dated 20.05.2025 of 5th respondent, for a period of eight (8) weeks.

List the matter after six (6) weeks.”

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For

SD/-U.SRI DEVI
DEPUTY REGISTRAR
SECTION OFFICER

To,

1. The Principal Secretary, State of Andhra Pradesh, Department of Agriculture, Co-operation & Marketing State Secretariat, Velagapudi Guntur District, Andhra Pradesh. (by **Special Messenger**)
2. The Commissioner for Cooperation & Registrar of Co-operative Societies, (CC & RCS) Sky Lark Towers, D.No.2-16-83 11th Line, Syamala Nagar Guntur, Andhra Pradesh - 522006.
3. The District Collector, Chittoor Collector's Office, Chittoor Andhra Pradesh.
4. The District Co-operative Officer/ District Registrar, Chittoor District, Chittoor.
5. The District Revenue Officer/ Inquiry officer, Chittoor District, Chittoor.
6. The Chittoor District Co-operative Central Bank, Head Office at D.No.2 -1244, K R Palle, Chittoor Andhra Pradesh - 517 001 Rep. by its CEO. (Addressee Nos.2 to 6 by **RPAD**)
7. One CC to M/s Indus Law Firm, Advocate [OPUC]
8. Two CCs to GP for Cooperative Society, High Court of Andhra Pradesh. [OUT]
9. Two CCs to GP for Revenue, High Court of AP [OUT]
10. One CC to Sri S.Vijay Kumar, Standing Counsel [OPUC]
11. One spare copy

HIGH COURT

SRK,J

DATED:24/09/2025

LIST THE MATTER AFTER SIX (6) WEEKS

ORDER

WP.No.26403 of 2025

INTERIM STAY

