



2026:CGHC:20866

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR**WPC No. 2205 of 2026**

1 - Prathmik Krishi Saakh Sahkari Samiti Bhasera Registration No. 808, A Society Registered Under The Chhattisgarh Co-Operative Societies Act, 1960 And Having Its Registered Address At Bhasera, Distt. Gariyaband, Chhattisgarh. Through Its Manager Shri Satish Kumar Verma, S/o Lekh Ram Verma, Aged About 35 Years, R/o House No. 2712, Ward No. 9, Near Balaji Hospital, Dubey Colony Mowa, Po Saddu, Raipur, Pin 492014, Chhattisgarh.

... Petitioner(s)**versus**

1 - State Of Chhattisgarh Through The Secretary, Department Of Cooperation, Mantralaya, Naya Raipur, Atal Nagar, Distt. Raipur, Chhattisgarh.

2 - Joint Commissioner Cooperative, Raipur Division, Chhattisgarh, Opp. Lal Ganga Shopping Mall, G.E. Road, Chhattisgarh. Email- Jrcsraipur1@gmail.com

3 - Assistant Commissioner Cooperative And Assistant Registrar, Cooperative Societies, Distt. Gariyaband, Gaurav Path Road, Chhattisgarh. Email- Arcsgariaband2@gmail.com

4 - Collector District Gariyaband, Chhattisgarh District Collectorate Office Gariyaband, C.G. 493889. Email- Gariaband.Cg@Gov.In

... Respondent(s)**(Cause Title is taken from CIS System)**



For Petitioner : Mr. Mallick Sudip Ravi, Advocate

For State : Mr. Soumitra Kesharwani, Panel Lawyer

Hon'ble Mr. Justice Amitendra Kishore Prasad

Order on Board

05/05/2026

1. The petitioner has filed this writ petition seeking following reliefs :

“A) This Hon'ble Court may be pleased to issue a writ of certiorari or any other appropriate writ, order or direction quashing and setting aside the impugned letter dated 02.04.2026 issued by Respondent Authority;

B) Stay the operation and effect of the impugned letter dated 02.04.2026 during pendency of the present petition;

C) Grant any other relief that this Hon'ble Court may deem fit and proper in the interest of justice.”

2. Brief facts of the case, as projected, are that the petitioner is a registered Primary Agricultural Cooperative Society engaged in procurement of paddy under the State procurement schemes at Minimum Support Price (MSP). The present dispute arises out of procurement of Kharif crop paddy for the year 2024–2025,



wherein, according to the petitioner, due to delay in lifting of paddy stock from procurement centres, a substantial surplus stock accumulated beyond the prescribed limits, which allegedly resulted in dryage losses. It is the specific case of the petitioner that such delay in lifting was solely attributable to the inaction and failure of the respondent authorities to act upon instructions for priority lifting of paddy from procurement centres, and not due to any negligence or omission on the part of the petitioner Society. It is further averred that during the Chhattisgarh Legislative Assembly Budget Session held in February–March 2026, certain discussions took place regarding shortage of paddy and steps taken against cooperative societies. Thereafter, without addressing the grievance of the petitioner or undertaking any fact-finding exercise, the respondent authorities issued an impugned letter dated 02.04.2026 directing initiation of proceedings under Section 58(b) of the Chhattisgarh Co-operative Societies Act, 1960 for recovery of alleged losses. Based upon such direction, the Assistant Commissioner, Cooperative Societies, District Gariyaband issued the impugned communication dated 02.04.2026 (Annexure P-2), initiating steps for legal action against the petitioner. Aggrieved by issuance of the said letter, the petitioner has approached this Court by filing the present writ petition.



3. Learned counsel for the petitioner submits that the impugned letter dated 02.04.2026 is wholly arbitrary, illegal and without jurisdiction. It is contended that the same has been issued mechanically without any independent application of mind and solely on the basis of discussions held in the Legislative Assembly, which have no binding or adjudicatory value. It is further submitted that prior to issuance of the impugned letter, no show cause notice was issued to the petitioner and no opportunity of hearing was afforded, thereby rendering the impugned action violative of the principles of natural justice. Learned counsel submits that Section 58(b) of the Chhattisgarh Co-operative Societies Act, 1960 mandates that any liability for loss must be preceded by a proper audit, inquiry, inspection or other fact-finding exercise, whereby negligence, misconduct or misappropriation is established. However, in the present case, no such statutory process has been undertaken and the impugned action has been initiated in complete absence of foundational facts. It is also contended that reliance on legislative proceedings for initiating coercive recovery is impermissible in law and amounts to a colourable exercise of power. On these grounds, it is prayed that the impugned letter be quashed.
4. Per contra, learned State counsel opposes the petition and submits that the impugned letter dated 02.04.2026 is merely a preliminary communication authorizing initiation of proceedings



under Section 58(b) of the Act. It is contended that no final determination of liability has yet been made against the petitioner and no recovery has been effected. The impugned communication only sets in motion the process of assessment and inquiry regarding alleged loss. Learned State counsel further submits that the petitioner will be afforded full opportunity of hearing during the course of proceedings and all contentions raised by the petitioner can be duly considered by the competent authority. It is thus argued that the present petition is premature and filed at a stage when no cause of action has accrued to the petitioner, and therefore no interference is warranted by this Court.

5. Heard learned counsel for the parties and perused the material available on record.
6. From the pleadings and documents placed on record, it is evident that the challenge in the present petition is directed against the letter dated 02.04.2026, whereby the competent authority has directed initiation of proceedings under Section 58(b) of the Chhattisgarh Co-operative Societies Act, 1960.
7. A perusal of the impugned communication indicates that the same is only an enabling or preliminary step authorizing the concerned authorities to initiate proceedings and undertake the exercise of assessment and determination of alleged loss. It does not, by itself, determine any liability nor does it fasten any civil consequences upon the petitioner at this stage.



8. It is well settled that writ jurisdiction under Article 226 of the Constitution of India is ordinarily not exercised against mere show cause notices or preliminary communications unless the same are shown to be wholly without jurisdiction or issued in abuse of process of law. In the present case, no such exceptional circumstance is made out. The contention of the petitioner that no inquiry or audit has been conducted and that the provisions of Section 58(b) have not been complied with, can very well be raised before the competent authority during the course of proceedings. The petitioner will have adequate opportunity to place all relevant material and to demonstrate that no liability can be fastened upon it. At this stage, when only initiation of proceedings has been directed and no adverse order has yet been passed, this Court is of the considered opinion that the present petition is premature and does not warrant interference.
9. Accordingly, the writ petition filed by the petitioner is hereby **dismissed** as being premature. However, it is made clear that if any cause of action arises in future or any adverse order is passed against the petitioner, the petitioner shall be at liberty to avail appropriate remedies in accordance with law.
- No order as to costs.

Sd/-

(Amitendra Kishore Prasad)
Judge