

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 6489 OF 2005

DR. B. MADHUSUDHAN REDDY .. APPELLANT(s)

Versus

PEELA POTHINAIDU & ORS. .. RESPONDENT(s)

WITH

CIVIL APPEAL NOs. 6486-6487 OF 2005

DR. B. MADHUSUDHAN REDDY .. APPELLANT(s)

Versus

PEELA POTHINAIDU & ORS. ETC.ETC. .. RESPONDENT(s)

O R D E R

CIVIL APPEAL NO. 6489 OF 2005:

This appeal by special leave arises from the judgment of the Andhra Pradesh High Court disposing of three writ petitions praying for diverse reliefs. The principal grievance raised in the writ petition was issuance of GO dated 22.6.2004 by reconstituting the Sri Justice B.K. Somasekhara Commission after withdrawing GO Ms. No. 544 dated 4.8.2001 and GO Ms. No. 553 dated 8.8.2001 under which the Government had formed opinion that the continued existence of the Commission was unnecessary and thereby the Government of Andhra Pradesh directed that the Commission of Inquiry shall be deemed to have ceased to exist with effect from the first day of December, 1999. In GO Ms. No. 58 dated

22.6.2004, it was directed that the Commission of Inquiry would be deemed to have continued with effect from 1.12.1999 and shall continue its inquiry from where it was stopped.

2. The controversy relates to Yeleru irrigation scam.

3. On 19.10.2005, this Court granted leave.

Thereafter orders have been passed from time to time. The last order dated 30.10.2013 reads as follows:

A counter-affidavit has been filed by the Government of Andhra Pradesh through its Principal Secretary, Irrigation & CAD Department. The affidavit states that disciplinary action was initiated against as many as 21 government employees besides one Sub-Judge, one Government Pleader and five judicial staff of whom 6 have been

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accorded punishment already. The present status of disciplinary action against government employees involved in Yeleru Scam and against whom the disciplinary action has not yet attained finality, are set-out as follows:

Sl. No	Name & Designation of Officer	Stage of disciplinary Case	of the
1.	Sri V.Sarma Rao., IAS., (Retd) formerly Commissioner, Social welfare	Disciplinary proceedings initiated against the Member of Service by framing charges under AIS (D&A) Rules 1969, vide G.O.Rt. No.1242, G.A. (SC.D) Dept., dt: 30.03.2000 for the irregularities committed by him, while working as Commissioner of Social Welfare A.P., Hyderabad. Enquiry conducted, Government after due procedures decide to impose a penalty of "50% cut in pension and gratuity" against the members of service. According proposals were submitted to Government of India vide	

Lr.No.72/Sc.D/A3/1998-5
3, dt:21.05.2010.
Orders of the Govt., of
India are awaited.

2. Sri K.Sukhender
Reddy, IAS., formerly
J.S to Govt., I&CAD
Department.

Departmental action was
initiated against the
officials of I & CAD
Department. After
examining the WSDs of
the A.Os the charges
were entrusted to the
inquiring Authority
(COI) to conduct common
enquiry. Sri K.

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Sukkhendar Reddy, IAS
(Retd.) filed O.A.
No.1010/2000 before the
CAT, Hyderabad Bench,
challenging the
disciplinary
proceedings. In its
orders dt.10.08.2001,
the CAT has disposed
the O.A. quashing the
charge Memo issued to
Sri K. Sukhendar Reddy,
IAS (Retd.) vide G.O.
Rt. No.1238, G.A.(SC.D)
Department dated
30.03.2000. Government
after careful
examination filed W.P.
No. 19111/2001 against
the CAT's orders. The
Hon'ble High Court in
its orders dt.
18.09.2001 granted
interim suspension of
the CAT's order.
The High Court in its
further orders in
W.P.M.P No.24044/2001
and W.P.M.P. No.
3257/2001 in W.P.
No.19111/2001
dated.20.12.2001
directed the State
Government not to
proceed with the
enquiry against the
respondent, pending
further orders. The
chairman COI has been
informed accordingly

3. Sri D.Parthasarathy,
(retd) formerly
Asst.Secy to Govt.,
I&CAD Department.

The report of COI is
awaited.

4. Sri P.Viswswara Rao,
formerly, Section
Officer, I&CAD
Department. Now
Asst.Secretary

The report of COI is
awaited.

5. Sri M.Subhan Khan,
formerly Asst Section

The report of COI is
awaited.

- Officer, I&CAD
Department
6. Sri N.Seshagri Rao
Executive Engineer
(Retd) YRC Division,
Peddapuram, I&CAD
Department
7. Smt. Anitha
Rajendran, IAS former
Revenue Divisional
officer, Revenue
Dept.,
8. Sr. B.R.S. Prasad,
former
Sr.Asst.Revenue
Dept.,
9. Smt. M.Leela, former
Dy. Tahsildar,
Revenue Dept.,
10. Sri A. Krishna Rao,
(Retd) former Spl.
Tahsildar, Revenue
Dept.,
11. Sri B.Ammaji Rao,
(retd) former Spl.
Tahsildar, Revenue
Dept.,
- He was arrested and suspended while working as a Executive Engineer, YRC Division, Peddapuram. He was retired in suspension, further he is taking provisional pension of Rs6,167/- in the Department
- COI Conducted enquiry and submitted enquiry report holding that charges framed against the C.O. not held proved. Accordingly further action was Dropped.
- COI Conducted enquiry and submitted enquiry report holding that charges framed against the C.O. not held proved. Accordingly further action was Dropped.
- Further action was dropped based on report of CCLA.
- The Collector, Visakhapatnam has reported that the charged officer has not involved in the alleged loss of money and he was discharged from the Criminal case.
- The Collector, Visakhapatnam District has reported that the charged officer has not involved in the alleged loss of money and he was discharged from Criminal case.

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12. Sri. S.Chinnayya
Chari, former
Tahsildar, Revenue
Dept.,
13. Sri. P.Surya Rao,
former Sr.Asst,
Revenue Dept.,
14. Sri. B.Chandrasekhar
- Submitted that, COI submitted enquiry report holding that the charge framed against CO held not proved. The Co has filed O.A.No.5679/2005 and the hon'ble Tribunal directed to pass final orders. The matter was examined and decided to drop further action against the CO.
- COI submitted report holding that the charge framed against him not proved.
- COI submitted report

Rao, former Sr.Asst. holding that the charge
Revenue Dept., framed against him not
proved.

2. It is seen from the above that as against V. Sarma Rao, IAS (retired), formerly Commissioner, Social Welfare, the State has decided to impose a penalty of 50% cut in pension and gratuity. The proposal to this effect has been submitted to the central government way back on 21.5.2010 but the central government has not issued any order so far.

3. The Chief Secretary, Government of Andhra Pradesh shall send the reminder to the Government of India for expediting the order in respect of the above. We expect the Government of India to do the needful expeditiously.

4. As regards K. Sukhender Reddy, IAS, former J.S. to Government, I&CAD Department, it transpires that the matter is pending before the High Court of Andhra Pradesh in Writ Petition (C) No. 19111 of 2011. Since the matter is pending before the High Court for about 12 years, we

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request the High Court to expedite the hearing of writ petition (C) No. 19111 of 2001.

5. In respect of D. Parthasarathy, Formerly Assistant Secretary to Government, I&CAD Department, P. Viswswara Rao, formerly Section Officer, I&CAD Department and M. Subhan Khan, Assistant Section Officer, I&CAD Department, the annexure I appended to the affidavit states that with regard to them the report of the COI is awaited. The concerned COI is expected to conclude the inquiry expeditiously.

6. The disciplinary action against Anitha Rajendra, IAS, and B.R.S. Prasad, former Sr. Assistant, Revenue Department have been dropped as in the inquiry, the charges against them were not found to be proved.

7. The action against M. Leela, former Deputy Tahsildar, Revenue Department has also been dropped on the basis of report of CCLA.

8. The criminal case against A. Krishna Rao, (Retd.), former Special Tahsildar, Revenue Department is closed as he was discharged from that case. So is the case of B. Ammaji Rao (Retd.), former Special Tahsildar, Revenue Department.

9. Further action against S. Chinnayya Chari, Former Tahsildar, Revenue Department

has also been dropped as in the inquiry report, the charge was held to be not proved.

10. As regards P. Surya Rao and B. Chandrasekhar Rao, both former Sr. Assistant, Revenue Department, the charges against them have not been proved but no final decision has been taken by the government with regard to them. The state government should take a final call in respect of them without any delay.

11. As regards criminal cases, it appears that the District & Sessions Judge,
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Visakhapatnam filed 9 complaints in CC Nos. 74-82 of 2000 against 6 of the 15 persons identified by the CID and discharged the other 9 accused. Against the order of discharge, CID preferred Criminal Appeal No. 1769 of 2000 before the High Court of Andhra Pradesh. The 6 accused have also filed separate criminal appeal being Criminal Appeal Nos. 1658 to 1665 of 2000. These criminal appeals are reported to be pending before the High Court of Andhra Pradesh. We request the High Court to hear and decide these criminal appeals at the earliest.

12. Some more criminal appeals arising from the complaints filed by the District & Sessions Judge, Visakhapatnam being Criminal Appeal Nos. 971 of 1999, 587 of 1999 and 907 of 1999 are pending before the High Court of Andhra Pradesh.

13. We request the High Court to hear and decide the above criminal appeals as expeditiously as may be possible and preferably within six months from the date of receipt of copy of this order as the appeals are already pending for about 14 years.

14. The District & Sessions Judge, Visakhapatnam shall expedite the inquiry in CrI.M.P. No.130 of 1998 (which relates to O.P. No. 15 of 1990 on the file of Sub-Judge, Anakapalli) expeditiously.

15. As regards land acquisition matters, it is stated that 782 land acquisition appeals have been filed before the High Court of Andhra Pradesh. Of the 782 acquisition appeals, 121 appeals have been heard and judgment is reserved.

16. The counter-affidavit has been filed by the Government of Andhra Pradesh on 8.7.2013. It may be possible that by this time, the High Court has pronounced the judgment in the 121 land acquisition appeals. If the judgment in those appeals have not been pronounced, we expect that to

be pronounced soon. As regards remaining appeals, we request the High Court to bear and decide them as expeditiously as may be possible.

17. Certain special leave petitions are pending before this Court, some at the instance of government and 4 at the instance of the claimants. The Registrar (J-II) of this Court will take appropriate directions from Hon'ble the Chief Justice and if these matters are ripe for hearing, the same may be posted for hearing as per the direction of Hon'ble the Chief Justice.

18. The fresh status report shall be filed by the Government of Andhra Pradesh on 15.1.2014.

4. In pursuance of the above direction, an affidavit has been filed by the Government of Andhra Pradesh giving the latest status of the action taken in various proceedings (criminal and civil) and also disciplinary proceedings against the government officials and the members/staff of the subordinate judiciary involved in the scam. In the affidavit filed on 10.1.2014, the State Government has asserted that no real culprit has been allowed to go scot free and those officers involved have been identified and action has been initiated against them. It is stated that disciplinary action has been initiated against 21 government employees besides one Sub-Judge, one

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Government Pleader and five judicial staff from among whom punishment has already been imposed on six officials and the Judicial Officer has been dismissed from service.

5. In annexure-I, annexed with the affidavit, the stage of disciplinary action against government employees involved in Yeleru Scam has been mentioned which is as follows:

STAGE OF DISCIPLINARY ACTION AGAINST GOVERNMENT EMPLOYEES
INVOLVED IN YELERU SCAM

- | Sl.No | Name & Designation of Officer | Stage of the disciplinary Case |
|-------|--|--|
| 1. | Sri V.Sarma Rao., IAS., (Retd) formerly Commissioner, Social welfare | Disciplinary proceedings initiated against the Member of Service by framing charges under AIS (D&A) Rules 1969, vide G.O.Rt.No.1242,G.A. (SC.D) Dept., dated 30.03.2000 for the irregularities committed by him, while working as Commissioner of Social Welfare A.P., Hyderabad. Enquiry conducted, Government after due procedures decide to impose a penalty of "50% cut in pension and gratuity" against the members of service. According proposals were submitted to Government of India vide Lr.No.72/Sc.D/A3/1998-53, dt:21.05.2010. Orders of the Govt., of India are awaited. Reminded on 20.12.2013 |
| 2. | 1) Sri. K. | For the irregularities |

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Sukhender Reddy, allegedly committed by IAS (Retd) the officials of I&CAD formerly J.S. Dept., in payment of to Govt., I&CAD compensation in Dept.,

- 3) Sri.D. Parthasarathy, Asst. Secy., I & CAD Department. (Retd) I&CAD Dept.,
- Sri.D. Parthasarathy, Asst. Secy., I & CAD Department. (Retd) I&CAD Dept.,

- 4) Sri Visweswara rao., C.S. Rangachari, (COI) to former Section Officer, I&CAD Dept.,
- Sri P. inquiring Authority Dr. Visweswara rao., C.S. Rangachari, (COI) to former Section Officer, I&CAD Dept.,
- Sri K. Sukkhendar Reddy, IAS (Retd.) filed O.A. No.1010/2000 before the CAT, Hyderabad Bench,

Sri. M. Subhan Khan, former challenging the disciplinary proceedings.

- 5) Asst. Section Officer, I&CAD Dept.,
- The Tribunal in its final orders dated 10.08.2001 quashed the Charge Memo in respect of Sri K. Sukhendar Reddy, IAS (Retd.) Government filed W.P.No.19111/2001 before

the Hon'ble High Court challenging the CAT orders. The Hon'ble High Court in its orders directed the Government not to proceed with the enquiry against Sri K.Sukhendar Reddy, IAS (Retd.) pending further orders.

The Chairman, Commissionerate of Inquires, has stated that the enquiry in this case was postponed until further orders in view of the High Court orders in case of Sri K. Sukhendar Reddy, IAS(Retd.) and that in view of the request made by the counsel for other three Charged Officers, to the effect that the enquiry

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into the charges against them may also be kept in abeyance and resumed as and when the stay is vacated. Presenting Officer had also agreed for the request and therefore requested that when ever the W.P. in the other matter is finally disposed off or the ground for conducting the Inquiry in this matter is cleared, the case may be re-entrusted afresh.

Government after careful examination of the matter decided to proceed with the enquiry against the rest of the Charged Officers and accordingly, orders issued appointing Dr. Premchand, IAS(Retd.) Member, Commissionerate of Inquires, General Administration Department, as the Inquiring Authority to Inquire into the charges framed against Sarvasri D.Parthasarathy, the then Asst. Secretary to Govt.(Retd.), P. Visweswararao, the then Section Officer (Retd.) and M.Subhan Khan, the then Asst. Section Officer of Irrigation and CAD Department, now Deputy Secretary to Government in accordance with the procedure laid down in

the A.P.C.S. (CC&A) Rules
1991. The Inquiry report
is awaited.

6. Sri N.Seshagri Rao Executive Engineer (Retd) YRC Division, Peddapuram, I&CAD Department

Withholding 100% pension

7. Smt. Anitha Rajendran, IAS

COI Conducted Enquiry and submitted enquiry report

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former Revenue Divisional officer, Revenue Dept.,

holding that charges framed against the C.O. is not held proved. Accordingly further action was Dropped. Vide Memo No.6186/Vig.III(1)/2001-47Revenue Dept.,dt. 2.3.2002

8. Sr. B.R.S. Prasad, former Sr.Asst. Revenue Dept.,

COI Conducted Enquiry and submitted enquiry report holding that charges framed against the C.O. is not held proved. Accordingly, further action was Dropped. Vide Memo No.6186/Vig.III(1)/2001-50,Revenue Dept., Dt.30.12.2002.

9. Smt. M.Leela, former Dy. Tahsildar, Revenue Dept.,

Further action was dropped based on report of CCLA.

10. Sri A. Krishna Rao, (Retd) former Spl. Tahsildar, Revenue Dept.,

The proposal from the Collector, Visakhapatnam was received by the Govt., on 16.05.2000 for initiating disciplinary action against him. Sri A. Krishna Rao, worked as Spl Tahr. LA during the period from 23.08.94 to 14.03.95 and retired from service on 31.08.96. The occurrence of delinquency was on 14.03.95. No charges were framed till receipt of the proposal i.e., 16.05.2000. the four period stipulated under 9(2)(b) of APRP Rules, 1980 was expired by 13.03.1999 i.e. before receipt of the proposal itself by the Govt. Orders in circulation were passed for dropping further action on 07.06.2000.The Collector, VSP, has been requested vide Govt. Memo No. 6186-A/vig.III(1) /2001-34 dt:09.10.01 to

take action as per para 5 of G.O.Rt.No. 1097, Fin(Pen.I)Dept.Dt.22.06.2000 and to send a detailed report. The Collector, Visakhapatnam dist. Vide his lr.dt.15.03.2012 has reported that the charged officer has not involved in the alleged loss of money and he was discharged from Criminal case.

11. Sri B.Ammaji Rao, (retd) former Spl. Tahsildar, Revenue Dept.,
- The proposal from the Collector, Visakhapatnam was received by the Govt., on 16.05.2000 for initiating disciplinary action against Sri B.Ammaji Rao, who worked as Spl.Tahsildar, L.A in Revenue Division Narsipatnam from 6.4.1994 to 9.3.1996. He retired from service on 31.08.1998. The occurrence of the delinquency was on 9.3.1996. the 4 years period as stipulated under 9(2) (b) of APRP Rules, 1980 expired by 8.2.2000 i.e., before receipt of the proposal it self by the Govt. orders in circulation was passed for dropping further action on 7.6.2000. the Collector, VSP dist. Has been requested vide Govt. Memo No.6186-/Vig.III(1)/2001-34, Dt.9.10.2001 to take action as per para 5 of G.O.Rt.No.1097,Fin(Pen.I) Dept Dt.22.06.2000 and to send a detailed report. The Collector, Visakhapatnam dist. Vide his lr.dt.15.03.2012 has reported that the charged
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officer has not involved in the alleged loss of money and he was discharged from Criminal case

12. Sri. S.Chinnayya Chari, former Tahsildar, Revenue Dept.,
- Submitted that, COI submitted enquiry report holding that the charge farmed against CO held not proved. The Co has filed O.A.No.5689/2005 and the Hon'ble Tribunal directed to pass final

orders. The matter was examined and decided to drop further action against the CO. Accordingly orders were issued vide G.O.Rt.No.167, Rev (Vig.III) Dept dt.19.01.2006.

13. Sri. P.Surya COI submitted report holding that the charge framed against him not proved.
Rao, former Sr.Asst, Revenue Dept.,
14. Sri. B.Chandrasekhar COI submitted report holding that the charge framed against him not proved.
Rao, former Sr.Asst. Revenue Dept.,
15. Sri. P.Swamy, Dismissal from service.
formerly, senior Civil Judge Anakapalli, Law Dept.,
16. Sri. Lova Raju, Dismissal from service.
Junior Assistant, Sub Court Anakapalli, Law Dept.,
17. Sri. S.Viswanadham, Compulsory retirement.
Junior Asst, Sub Court Anakapalli, Law Dept.,
18. Sri. L.A.Narasimha Holding of pension since retired.
Murthy, Sheristadar, Sub Court Anakapalli, Law

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19. Dept., Sri. I. Ramalingeswara Swamy, Junior Asst., Sub Court Chodavaram, Law Dept., Compulsory retirement.
20. Smt K. Kalavathi, Reversion to her lower cadre.
Junior Asst., Sub Court Chodavaram, Law Dept.,
21. Sri. U. Varahala Raju, junior Assistant, Principal Junior Civil Judge's Court Visakhapatnam, Law Department Compulsory retirement

6. In annexure-II, the details have been given about the enquiries under Section 340

Cr.P.C.. In annexure-III, statement of pending land acquisition cases in Andhra Pradesh High Court has been given.

7. In the affidavit, the details of the land acquisition matters allowed by the Andhra Pradesh High Court, amounts which are due from the claimants and the details of the restitution petitions which are still pending on the file of the Sub-Court, Anakapalli, Visakhapatnama have been indicated. Details have also been given about various restitution petitions which have been allowed by the Andhra Pradesh High Court

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directing the claimants to re-deposit the amounts withdrawn by them with 12% interest from the date of receipt of the amounts till realization.

8. The claimants did not re-deposit the amounts and as such the Collector, Visakhapatnam directed the MRO, Anakapalli to recover the same under Revenue Recovery Act. In some matters, after execution petitions have been allowed, notices were issued to auction the properties but the same could not be carried further in view of the stay order passed by the High Court.

9. We have carefully considered the status report submitted by the Government of Andhra Pradesh. We are satisfied that the matter need not remain pending before this Court any more.

10. Civil Appeal is, accordingly, disposed of. The State shall take all pending proceedings to their logical conclusion. No costs.

CIVIL APPEAL NOS. 6486-6487 OF 2005:

In view of order passed today in Civil Appeal No. 6489 of 2005, nothing remains to be

decided in these appeals. Civil Appeal are disposed of. No costs.

.....J.
(R.M. LODHA)

.....J.
(SHIVA KIRTI SINGH)

NEW DELHI;
APRIL 2, 2014.

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ITEM NO.111

COURT NO.2

SECTION XIIA

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS
CIVIL APPEAL NO(s). 6489 OF 2005

DR. B. MADHUSUDHAN REDDY

Appellant (s)

VERSUS

PEELA POTHINAIDU & ORS.

Respondent(s)

(With office report)

WITH
Civil Appeal Nos. 6486-6487 of 2005
(With office report)

Date: 02/04/2014 These Appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE R.M. LODHA
HON'BLE MR. JUSTICE SHIVA KIRTI SINGH

For Appellant(s) Mr. P. Vinay Kumar, Adv.

For Respondent(s) Mr. R. Sundaravardhan, Sr. Adv.
Mr. G.N.Reddy, Adv.
Mr. Debojit Borkakati, Adv.
Mr. Bala Shivudu M., Adv.

Mr. Guntur Prabhakar, Adv.

Mr. R. Gopalakrishnan, Adv.

UPON hearing counsel the Court made the following
O R D E R

Civil Appeals are disposed of in terms of signed order with no order as to costs.

(Pardeep Kumar)

(Renu Diwan)

AR-cum-PS

Court Master

[SIGNED ORDER IS PLACED ON THE FILE]