#### HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD (Special Original Jurisdiction)

## THURSDAY, THE TWENTY FIRST DAY OF NOVEMBER TWO THOUSAND AND TWENTY FOUR

#### **PRESENT**

## THE HONOURABLE THE CHIEF JUSTICE ALOK ARADHE AND

THE HONOURABLE SRI JUSTICE J. SREENIVAS RAO

## WRIT PETITION NOS: 20322 OF 2011 AND 3576 OF 2020 AND

#### WP(PIL).NO.287 OF 2018

#### W.P.No.20322 of 2011

#### Between:

Smt. Burra Soundarya, W/o Burra Chandraiah, Sarpanch (Removed) R/o. Bhoopalpalli Village and Mandal, Warangal District.

....PETITIONER

#### **AND**

- 1. Government of A.P., Panchayat Raj and Rural Development (PTS II) Department, Rep. by its Principal Secretary, Secretariat, Hyderabad.
- 2. The Collector (Panchayat Wing), Warangal, Warangal District.
- 3. The District Panchayat Officer, Warangal, Warangal District.
- 4. Divisional Panchayat Officer, Mulug, Warangal District.

#### ....RESPONDENTS

Petition Under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an order or direction more particularly one in the nature of Writ of Certiorari calling for the records relating to the order No. 1772/2009/A2 dated 18-3-2011 passed by the second respondent and confirming the said order by the 1st respondent in G.O. Rt. No. 1084 dated 12-7-2011 and quash the same holding as highly arbitrary, bad, illegal and violative of natural justice.



Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed ir support of the petition, the High Court may be pleased to suspend the Order No. 1772/2009/A2 dated 18-3-2011 passed by the second respondent and G.O. Rt. No. 1084 dated 12-7-2011 issued by 1st respondent, pending writ petition.

Counsel for the Petitioner: SRI N.ASHOK KUMAR

Counsel for the Respondents : GP FOR PANCHAYAT RAJ & RURAL DEVELOPMENT

W.P.NO: 3576 OF 2020

#### Between:

Smt. Burra Soundarya, Occ. Ex-Sarpanch, R/o. Bhupalpally Village and Nlandal, Jayashankar Bhupalpally District.

....PETITIONER

#### AND

- 1. The State of Telangana, Represented by its Principal Secretary, Revenue Department, Burgula Rama Krishna Rao Bhavan, Tank Bund, Hyderabad.
- 2. The Collector (Panchayat Wing), Bhupalpally, Jayashankar Bhupalpally District.
- 3. The District Panchayat Officer, Bhupalpally, Jayashankar Bhupalpally District.
- 4. The Divisional Panchayat Officer, Bhupalpally, Jayashankar Bhupalpally District.
- 5. Tahsildar, Bhupalpally Mandal, Jayashankar Bhupalpally District.

.....RESPONDENTS

Petition Under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an order or direction more particularly one in the nature of Writ of Mandamus declaring that the action of the fifth respondent in issuing notice Rc.No.2731/2018 dated 02-01-2020 directing the petitioner to deposit an amount of Rs.48,75,925/- is highly arbitrary, bad, illegal and without authority.



### I.A.NO:1 OF 2020

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the Notice Rc.No.2731/2018 dated 02-01-2020 issued by the 5th respondent, pending writ petition.

Counsel for the Petitioner: SRI P.PRABHAKAR REDDY

Counsel for the Respondent Nos.1 & 5 : GP FOR REVENUE

Counsel for the Respondent Nos.2 to 4 : G.P FOR PANCHAYAT RAJ AND RURAL DEVELOPMENT DEPARTMENT

W.P.(P.I.L).NO: 287 OF 2018

#### Between:

N.Rajalinga Murthy, S/o.Rajamouli, Aged about 42 years, Occ. Agriculture, R/o.Jangedu village, Bhupalpally Mandal, Jayashankar Bhupalpally District.

....PETITIONER

#### **AND**

- 1. The State of Telangana, Rep. by its Principal Secretary, Panchayat Raj Department, Secretariat, Hyderabad.
- 2. The District Collector, Jayashankar Bhupalpally District, Bhupalpally.
- 3. The District Panchayat Officer, Jayashankar Bhupalpally District, Bhupalpally.
- 4. The Tahsildar, Bhupalpally Mandal, Jayashankar Bhupalpally District.
- 5. Smt.Burra Soundarya, W/o.Burra Chandraiah, Aged about 50 years, Occ. Ex-Sarpanch, R/o.H.No.2-373, Rajivnagar Colony, Bhupalpally town, Jayashankar Bhupalpally District.

#### .....RESPONDENTS

Petition Under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue any writ, order or direction more particularly one in the nature of Writ of Mandamus declaring the action of the official respondents 1 to 4 are not discharging their statutory functions assigned to them under the provisions of Telangana State Panchayat Raj Act in recovering an amount of Rs.48,75,925/-

from the 5th respondent misappropriated by her during her tenure as Sarpanch, Bhupalpally Grampanchayat, Jayashankar Bhupalpally District (Warangal-District) from 2006-07 to 2009-10 in pursuant to the orders issued by the 2nd respondent dated 18.3.2011 in Order No.1772/2009/A2 holding that the 5th respondent misappropriated in all Rs.49,41,322/- out of which an amount of Rs.65,397/- were remitted by the 5th respondent, the balance amount of Rs.48,75,925/- are to be recovered and the said order was confirmed in Appeal vide G.O.Rt.No.1084 Panchayat Raj and Rural Development (Pts.II) Department dated 12.7.2011 as illegal, arbitrary and consequently direct respondents 1 to 4 to take steps for recovery of amount Rs.48,75,925/- from the 5th respondent.

#### **I.A.NO:1 OF 2018**

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the respondents 1 to 4 to take appropriate steps for recover of amount of Rs.48,75,925/- from the 5th respondent in pursuant to the orders issued by the 2nd respondent dated 18.3.2011 in Order No.1772/2009/A2, pending disposal of the above writ petition.

Counsel for the Petitioner: SRI A.PRABHAKAR RAO

Counsel for the Respondent Nos.1 & 3 : G.P FOR PANCHAYAT RAJ AND RURAL DEVELOPMENT DEPARTMENT

Counsel for the Respondent Nos.2 & 4 : G.P FOR REVENUE

Counsel for the Respondent No.5 : SRI P.PRABHAKAR REDDY

The Court made the following ORDER



# THE HON'BLE THE CHIEF JUSTICE ALOK ARADHE AND THE HON'BLE SRI JUSTICE J.SREENIVAS RAO

# WRIT PETITION Nos. 20322 OF 2011 & 3576 of 2020 AND WRIT PETITION (PIL) NO. 287 OF 2018

**COMMON ORDER:** (Per the Hon'ble Sri Justice J. Sreenivas Rao)

The Writ Petition No.20322 of 2011 is filed seeking the following relief:

- "....to issue an order or direction more particularly one in the nature of Writ of Certiorari calling for the records relating to the order No. 1772/2009/A2 dated 18.03.2011 passed by the second respondent and confirming the said order by the first respondent in G.O.Rt.No.1084 dated 12.07.2011 and quash the same holding as highly arbitrary, bad, illegal and violative of natural justice and pass ......."
- 2. The Writ Petition No.3576 of 2020 is filed seeking the following relief:
  - "......to issue an order or direction more particularly one in the nature of Writ of Mandamus declaring that the action of the fifth respondent in issuing notice Rc. No.2731/2018 dated 02.01.2020 directing the petitioner to deposit an amount of Rs.48,75,925/- is highly arbitrary, bad, illegal and without authority and pass......"
- 3. The Writ Petition (PIL) No.287 of 2018 is filed seeking the following relief:
  - "......to issue any writ, order or direction more particularly one in the nature of Writ of Mandamus declaring the action of the official respondents 1 to 4 are not discharging their statutory functions assigned to them under the provisions of Telangana State Panchayat Raj Act in recovering an amount of Rs.48,75,925/- from the 5th

respondent misappropriated by her during her tenure as Grampanchayat, Jayashankar Bhupalpally Sarpanch, Bhupalpally District (Warangal District) from 2006-07 to 2009-10 in pursuant to the orders issued by the 2nd respondent dated 18.03.2011 in Order No.1772/2009/A2 holding that the 5th respondent misappropriated in all Rs.49,41,322/- out of which an amount of Rs.65,397/- were remitted by the 5th respondent, the balance amount of Rs.48,75,925/- are to be recovered and the said order was confirmed in Appeal vide G.O.Rt.No.1084, Panchayat Raj and Rural Development (Pts.II) Department dated 12.07.2011 as illegal, arbitrary and consequently direct respondents 1 to 4 to take steps for recovery of amount of Rs.48,75,925/- from the 5th respondent and to pass...."

- 4. The issue in all the three matters is interconnected with each other. Hence, all the matters are disposed of by this common order with the consent of the respective parties.
- 5. Heard Sri N.Ashok Kumar, learned counsel for the petitioner in W.P.No.20322 of 2011, Sri P.Prabhakar Reddy, learned counsel for the petitioner in W.P.No.3576 of 2020 and respondent No.5 in W.P.(PIL) No.287 of 2018, Sri A.Prabhakar Rao, learned counsel for the petitioner in W.P.(PIL) No.287 of 2018, Sri Katram Muralidhar Reddy, learned Government Pleader for Revenue appearing on behalf of respondent Nos.1 and 5 in W.P.No.3576 of 2020, respondent Nos.2 and 4 in W.P.(PIL) No.287 of 2018, Sri P.Ashok Kumar, learned Assistant Government Pleader for Panchayat Raj and Rural Development Department appearing on behalf of respondent Nos.1 to 4 in W.P.No.20322 of 2011, respondent Nos.2

- to 4 in W.P.No.3576 of 2020 and respondent Nos.1 and 3 in W.P.(PIL) No.287 of 2018.
- 6. For the sake of convenience, the parties herein are referred to as they are arrayed in W.P.No.20322 of 2011.

### 7. Brief facts of case:

The petitioner averred that she was elected as Sarpanch of 7.1 Gram Panchayat, Bhoopalpalli on 29.07.2006 in the general elections to the local bodies. While continuing as Sarpanch, a complaint was lodged by the Upa-Sarpanch and some of the Ward Members against the petitioner alleging that she has committed some irregularities. Basing on the said complaint, respondent No.2 issued show cause notice No.A1772/A2/2009 on 31.05.2010 directing the petitioner to submit explanation. Pursuant to the same, the petitioner submitted explanation on 16.06.2010. Basing on the said explanation, respondent No.2 passed Order on 30.06.2010 suspending the petitioner from the post of Sarpanch. Aggrieved by the same, the petitioner filed W.P.No.1606 of 2010. While things stood thus, respondent No.2 issued show cause notice on 25.01.2011 exercising the powers conferred under 249(1) of the A.P. Panchayat Raj Act, 1994 (hereinafter referred to as 'the Act') on various allegations including misappropriation of funds and directed the petitioner to submit explanation. Pursuant to the same,

petitioner submitted applications on 03.02.2011, 18.02.2011, 07.03.2011 and 14.03.2011 to the respondent No.2 and requested them to grant time for submission of explanation. However, respondent No.2 passed order on 18.03.2011 removing the petitioner from the post of Sarpanch, by exercising the powers conferred under Section 249(1) of the Act, vide Proceedings amount of for misappropriation of an No.1772/2009/A2 Rs.48,75,925/-. Aggrieved by the said order, the petitioner filed appeal before respondent No.1 and the same was dismissed confirming the order of respondent No.2 vide G.O.Rt.1084 Panchayat Raj and Rural Development (PTS.II) Department dated Aggrieved by the said order, the petitioner filed W.P.No.20322 of 2011.

7.2 Petitioner further averred that during the pendency of the said writ petition, respondent No.2 issued show cause notice on 20.01.2017 directing the petitioner to submit explanation why the amount of Rs.48,75,925/- should not be recovered from her pursuant to the order dated 18.03.2011, which was confirmed by the appellate authority by its order dated 12.07.2011. In response to the same the petitioner had submitted explanation on 20.02.2017. Without considering the said explanation and without passing any order respondent No.2 addressed a letter dated 02.11.2008 to the respondent No.5 to recover the above said

amount. Accordingly, respondent No.5 had issued impugned notice dated 02.01.2020 under Section 25 of the provisions of the Telangana Revenue Recovery Act, 1864 for recovery of the amount of Rs.48,75,925/-. Questioning the above said notice, the petitioner filed W.P.No.3576 of 2020. Even before filing the above said writ petition, one Sri N.Rajalinga Murthy filed W.P.(PIL) No.287 of 2018 questioning the action of respondent Nos.1 to 4 in not recovering the amount of Rs.48,75,925/- from the petitioner.

### 8. Submissions of the learned Counsel for the petitioner:

- 8.1 Learned counsel for the petitioner submitted that the petitioner filed statutory appeal exercising the powers conferred under the Act, questioning the order dated 18.03.2011 before respondent No.1 in W.P.No.20322 of 2011. The appellate authority without considering the grounds raised in the appeal simply confirmed the order of respondent No.2, *vide* G.O.Rt.No.1084 dated 12.07.2011. The impugned order passed by the respondent No.1 dated 12.07.2011 is in gross violation of the principles of natural justice and contrary to law.
- 8.2 Learned counsel for the petitioner in W.P.No.3576 of 2020 submitted that basing upon the order dated 12.07.2011 and dated 18.03.2011 only, respondent Nos.2 and 5 in W.P.No.3576 of 2020 have issued notice dated 02.01.2020 under the Telangana Revenue

Recovery Act, 1864 for recovery of amount even without considering the explanation submitted by the petitioner to the show cause notice dated 20.01.2017 issued by respondent No.2 and without passing order and the same is contrary to law.

# 9. Submissions of the learned Assistant Government Pleader for Panchayat Raj:

9.1 Learned Government Pleader submits that respondent No.2 after following the due procedure as contemplated under the provisions of the Act, passed the order dated 18.03.2011 removing the petitioner from the post of Sarpanch on the ground of misappropriation of funds and the appellate authority-respondent No.1 rightly dismissed the appeal by its order dated 12.07.2011.

## 10. Submissions of the learned Government Pleader for Revenue:

10.1 Learned Government Pleader submits that respondent No.5 in W.P.No.3576 of 2020 has rightly issued notice dated 02.01.2020 for recovery of amount under the provisions of the Telangana Revenue Recovery Act, 1864.

#### **Analysis:**

11. This Court considered the rival submissions made by the respective parties and perused the material available on record. It

is an undisputed fact that respondent No.2 while exercising the powers conferred under the provisions of the Act, 1994 removed the petitioner from the post of Sarpanch on the ground of misappropriation of Gram Panchayat funds to an amount of Rs.48,75,925/- by its order dated 18.03.2011. Aggrieved by the above said order, the petitioner filed statutory appeal invoking the provisions of sub-section (7) of Section 249 of the Act before the appellate authority/respondent No.1 on 01.04.2011. The appellate authority without considering the grounds raised by the petitioner and without giving any reasons, dismissed the appeal on 12.07.2011 simply confirmed the order of respondent No.2. It is relevant to extract the operative portion of the order passed by the respondent No.1, which reads as follows:

- "9. After hearing them and on perusal of the records made available, it has been observed that the Sarpanch has misappropriated huge amount of the Gram Panchayat funds and acted against the procedure prescribed in APPR Act 1994.
- 10. The Government after careful examination of the matter and based on the available material in the records hereby disallows the appeal filed by Smt. Burra Soundarya, Sarpanch (Removed), Bhoopalpalli Village and Mandal, Warangal District and the proceedings of the District Collector (PW), Warangal issued vide reference 1st read above are hereby confirmed."
- 12. Thus, the above order clearly reveals that respondent No.1 without giving any reasons much less valid reasons simply confirmed the order of respondent No.2. It is trite law that the

statutory authority, while exercising the appellate powers, ought to have considered the grounds, contentions of the parties and the material on record, and ought to have passed order by giving reasons.

- 13. In Kranti Associates Private Limited v. Mashood Ahmed Khan and others<sup>1</sup>, the Hon'ble Apex Court relying upon several judgments summarizing the discussion held at Para 47 that:
  - "a) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.
  - b) A quasi-judicial authority must record reasons in support of its conclusions.
  - c) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.
  - d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.
  - e) Reasons reassure that discretion has been exercised by the decision maker on relevant grounds and by disregarding extraneous considerations.
  - f) Reasons have virtually become as indispensable a component of a decision making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.
  - g) Reasons facilitate the process of judicial review by superior Courts.

<sup>&</sup>lt;sup>1</sup> (2010) 9 SCC 496

- h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the life blood of judicial decision making justifying the principle that reason is the soul of justice.
- i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.
- j) Insistence on reason is a requirement for both judicial accountability and transparency.
- k) If a Judge or a quasi-judicial authority is not candid enough about his/her decision making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.
- I) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or 'rubber-stamp reasons' is not to be equated with a valid decision making process.
- m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision making not only makes the judges and decision makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor ((1987) 100 Harvard Law Review 731-37).
- n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See Ruiz Torija v. Spain ((1994) 19 EHRR 553), at para 562

para 29 and Anya vs. University of Oxford (2001 EWCA Civ 405 (CA), wherein the Court referred to Article 6 of European Convention of Human Rights which requires, "adequate and intelligent reasons must be given for judicial decisions".

- o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of "due process"."
- 14. In Assistant Commissioner, Commercial Tax Department, Works Contract and Leasing, Kota v. Shukla and brothers<sup>2</sup>, the Hon'ble Supreme Court held that 'reason is the heartbeat of every conclusion, and without the same it becomes lifeless'.
- 15. In the instant case, respondent No.1 without assigning any reasons passed the impugned order dated 12.07.2011 simply confirming the order of respondent No.2 and the same is in gross violation of the principles of natural justice and contrary to settled principles of law and the same is liable to be set aside.
- 16. For the foregoing reasons, the impugned order passed by the respondent No.1 dated 12.07.2011 is set aside and respondent No.1 is directed to consider the appeal filed by the petitioner and pass appropriate orders in accordance with law, after giving opportunity to the petitioner including personal hearing, within a period of two (2) months from the date of receipt of a copy of this order.

<sup>&</sup>lt;sup>2</sup> (2010) 4 SCC 785

- Insofar as W.P.No.3576 of 2020 is concerned, respondent 17. No.2 issued show-cause notice dated 20.01.2017 vide Proceedings No.1772/A2/2009 directing the petitioner to submit explanation as to why the amount of Rs.48,75,925/- should not be recovered from the petitioner on the ground that the petitioner was removed from the post of Sarpanch through proceedings dated 18.03.2011 on the ground of misappropriation of the above said amount and the said order was confirmed by the appellate authority-Government vide G.O.Rt.No.1084 dated 12.07.2011. Pursuant to the said showcause notice, the petitioner had submitted explanation on 20.02.2017. Respondent No.2, without passing any order on the said explanation, addressed a letter vide Rc.No.F/2073/2018 dated 02.11.2018 to respondent No.5 to recover the above said amount of Rs.48,75,925/- under the Telangana Revenue Recovery Act, 1864. Accordingly, respondent No.5 has issued impugned notice vide Rc.No.B/2731/2018 dated 02.01.2020 invoking the provisions of Section 25 of the Telangana Revenue Recovery Act, 1864.
- No.1 dated 12.07.2011 in W.P.No.20322 of 2011, the impugned notice dated 02.01.2020 issued by respondent No.5 in W.P.No.3576 of 2020 is also liable to bet set aside and is accordingly set aside. It is needless to observe that respondent Nos.2 and 5 in W.P.No.3576 of 2020 are entitled to initiate the proceedings against the petitioner

subject to outcome of the result in the appeal filed before respondent No.1 in W.P.No.20322 of 2011.

- 19. Insofar as W.P.(PIL)No.287 of 2018 is concerned, in view of the orders passed in W.P.Nos.20322 of 2011 and 3576 of 2020, the petitioner is granted liberty to avail the remedies as available under law subject to the outcome of the result of the appeal filed by the petitioner before the appellate authority-respondent No.1 in W.P.No.20322 of 2011.
- 20. With the above directions, all the writ petitions are disposed of accordingly. There shall be no order as to costs.

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

SD/-MOHD. ISMAIL ASSISTANT REGISTRAR

#### //TRUE COPY//

#### SECTION OFFICER

To

- 1. The Principal Secretary, Government of A.P., Panchayat Raj and Rural Development (PTS II) Department, Secretariat, Hyderabad.
- 2. The Collector (Panchayat Wing), Warangal, Warangal District.
- 3. The District Panchayat Officer, Warangal, Warangal District.
- 4. The Divisional Panchayat Officer, Mulug, Warangal District.
- 6. The Principal Secretary, Revenue Department, Burgula Rama Krishna Rao Bhavan, Tank Bund, State of Telangana at Hyderabad.
- 7. Tahsildar, Bhupalpally Mandal, Jayashankar Bhupalpally District.
- 8. The District Collector, Jayashankar Bhupalpally District, Bhupalpally.
- 9. The Tahsildar, Bhupalpally Mandal, Jayashankar Bhupalpally District.
- 10. Two CCs to GP FOR PANCHAYAT RAJ AND RURAL DEVELOPMENT, High Court for the State of Telangana at Hyderabad. [OUT]
- 11. Two CCs to GP FOR REVENUE, High Court for the State of Telangana at Hyderabad. [OUT]
- 12. One CC to SRI N.ASHOK KUMAR, Advocate (OPUC)
- 13. One CC to SRI A PRABHAKAR RAO, Advocate [OPÚC]
- 14. One CC to SRI F. PRABHAKAR REDDY, Advocate (OPUC)
- 15. Two CD Copies

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### **HIGH COURT**

DATED:21/11/2024

COMMON ORDER W.P.Nos.20322 of 2011, 3576 of 2020 AND WP(PIL).No.287 of 2018



DISPOSING OF THE BOTH WRIT PETITION AND WP(PIL) WITHOUT COSTS.

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