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APHC010427102026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3457]**
(Special Original Jurisdiction)

MONDAY, THE 16th DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE HARINATH.N

WRIT PETITIONNos.23150, 24861, 25053 of 2026

WRIT PETITION NO: 23150/2026

Between:

1. VEMURI SAI VENKATA RAMANA, S/O. PRASADA RAO, AGED 62 YEARS, R/O. GHANTASALA PALEM VILLAGE, GHANTASALA MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH - 521133. (RESPONDENT NO.4 BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)
2. DASARI VENKATA BALA VARDHANA RAO,, S/O. SITARAMAIAH, AGED 70 YEARS, R/O. AMUDALAPALLI VILLAGE, VUNGUTURU MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH - 521312. (RESPONDENT NO.5 BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)

...PETITIONER(S)

AND

1. SRI VEERAPANENI SIVA RAMA PRASAD, S/O. SRI BABU RAO, AGED ABOUT 53 YEARS. PRESIDENT, PENAMAKURU MILK PRODUCERS MUTUALLY AIDED CO-OPERATIVE SOCIETY LIMITED, R/O. PENAMAKURU VILLAGE, THOTLAVALLURU MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH.522237 (PETITIONER BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)
2. THE DISTRICT COOPERATIVE OFFICER, AMC COMPLEX, GOVERNORPET, VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH - 520002. (RESPONDENT NO.1 BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)
3. THE ELECTION OFFICER TO THE KRISHNA DISTRICT MILK PRODUCERS MUTUALLY AIDED COOPERATIVE UNION LIMIT, SRI LANKA GURUNADHAM, S/O. SRI VENKAYA, HINDU, MALE, AGED ABOUT 72 YEARS, RESIDING AT PLOT NO.41, D.N0.59A-8/8-6B1, MARUTHI CO-OPERATIVE COLONY, AUTO NAGAR ROAD, VIJAYAWADA - 520008. (RESPONDENT NO.2 BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)
4. THE KRISHNA DISTRICT MILK PRODUCERS MUTUALLY, AIDED COOPERATIVE UNION LIMITED, A SOCIETY REGISTERED UNDER THE ANDHRA PRADESH MUTUALLY AIDED COOPERATIVE SOCIETIES ACT, 1995, HAVING ITS REGISTERED OFFICE AT

CHITTINAGAR, VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH,520002 REPRESENTED BY ITS MANAGING DIRECTOR, SRI KOLLI ESWARA BABU, S/O SRI SYAMASUNDARA RAO, AGED ABOUT 59 YEARS. (RESPONDENT NO.3 BEFORE THE AP COOP. TRIBUNAL AT VIJAYAWADA)

5. THE ANDHRA PRADESH COOPERATIVETRIBUNAL, REPRESENTED BY ITS SECRETARY, VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH - 520002.

...RESPONDENT(S):

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 toissue a Writ, Order or Direction, more particularly one in the nature of a WRIT OF CERTIORARI, calling for the records relating to the order dated 31.07.2026 passed by the Andhra Pradesh Co-operative Tribunal, Vijayawada in E.O.P. No.16 of 2023, and quash the same

IA NO: 1 OF 2026

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 suspend the operation of the order dated 31.07.2026 in E.O.P. No.16 of 2023 on the file of A.P.Cooperative Tribunal

IA NO: 2 OF 2026

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 dispense with the filing of certified copy of the order dated 31.07.2026 in E.O.P. No. 16 of 2023 on the file of A.P.Cooperative Tribunal

IA NO: 3 OF 2026

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 May be pleased to dispense with filing of certified copy of Order Dt. 19.08.2026 passed in W.P No. 23150 of 2026 on the file of this Honble Court on the file of this Honble Court and to receive main Vacate Petition on file in the interests of justice and pass

IA NO: 4 OF 2026

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 May be pleased to vacate the Interim Order dt. 19.08.2026 in W.P.No.23150 of 2026 suspending the first limb of the operative portion of the final order dated 31.07.2026 passed in E.O.P.No.16 of 2023 on the file of the Andhra Pradesh Co-operative Tribunal, Vijayawada and dismiss the Writ Petition with exemplary costs in the interests of justice and pass

Counsel for the Petitioner(S):

1. JYOTHI ESWAR GOGINENI

Counsel for the Respondent(S):

1. SITA RAM CHAPARLA
2. A V S LAXMI

WRIT PETITION NO: 24861/2026

Between:

1. THE KRISHNA DISTRICT MILK PRODUCERS MUTUALLY AIDED CO-OPERATIVE UNION LIMITED, A SOCIETY REGISTERED UNDER THE ANDHRA PRADESH MUTUALLY AIDED CO OPERATIVE SOCIETIES ACT, 1995,HAVING ITS REGISTERED OFFICE AT CHITTINAGAR, VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH,REPRESENTED BY ITS MANAGING DIRECTOR, SRI KOLLI ESWARA BABU, S/O SRI SYAMASUNDARA RAO, AGED ABOUT 59 YEARS.(RESPONDENT NO.3 IN E.O.P. NO.16 OF 2023)-520001

...PETITIONER

AND

1. SRI VEERAPANENI SIVA RAMA PRASAD, S/O SRI BABU RAO, AGED ABOUT 53 YEARS, PRESIDENT, PENAMAKURU MILK PRODUCERS' MUTUALLY AIDED CO OPERATIVE SOCIETY LIMITED, R/O PENAMAKURU VILLAGE, THOTLAVALLURU MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH. (PETITIONER IN E.O.P. NO.16 OF 2023)-521163
2. THE DISTRICT COOPERATIVE OFFICER, AMC COMPLEX, GOVERNORPET, VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH - 520002. (RESPONDENT NO.1 IN E.O.P. NO.16 OF 2023)-520001
3. SRI LANKA GURUNADHAM, ELECTION OFFICER TO THE KRISHNA DISTRICT MILK PRODUCERS' MUTUALLY AIDED CO-OPERATIVE UNION LIMITED, S/O SRI VENKAYA, AGED ABOUT 72 YEARS, R/O PLOT NO.41, D.NO.59A-8/8-6B1, MARUTHI CO-OPERATIVE COLONY, AUTO NAGAR ROAD, VIJAYAWADA 520008. (RESPONDENT NO.2 IN E.O.P. NO.16 OF 2023)-520001
4. SRI VEMURI SAI VENKATA RAMANA, S/O PRASADA RAO, AGED ABOUT 62 YEARS, R/O GHANTASALA PALEM VILLAGE, GHANTASALA MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH - 521133. (RESPONDENT NO.4/RETURNED CANDIDATE IN E.O.P. NO.16 OF 2023)-521133
5. SRI DASARI VENKATA BALA VARDHANA RAO, S/O SITARAMAIAH, AGED ABOUT 70 YEARS, R/O AMUDALAPALLI VILLAGE, VUNGUTURU MANDAL, KRISHNA DISTRICT, ANDHRA PRADESH - 521312. (RESPONDENT NO.5/RETURNED CANDIDATE IN E.O.P. NO.16 OF 2023)-521312
6. THE ANDHRA PRADESH COOPERATIVE TRIBUNAL, REPRESENTED BY ITS SECRETARY,VIJAYAWADA, NTR DISTRICT, ANDHRA PRADESH - 520002.

...RESPONDENT(S):

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 toissue a Writ, Order or Direction, more particularly one in the nature

of a WRIT OF CERTIORARI, calling for the entire records relating to the order dated 31.07.2026 passed by the Andhra Pradesh Co-operative Tribunal, Vijayawada, in E.O.P. No.16 of 2023, quash the same

IA NO: 1 OF 2026

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 suspend the operation of the order dated 31.07.2026 passed in E.O.P. No.16 of 2023,

Counsel for the Petitioner:

1. A V S LAXMI

Counsel for the Respondent(S):

1. JYOTHI ESWAR GOGINENI
2. GANTA PRASAD
3. GP FOR COOPERATION

WRIT PETITION NO: 25053/2026

Between:

1. SRI VEERAPANENI SIVA RAMA PRASAD, S O SRI BABU RAO AGED 52 YEARS PRESIDENT OF PENAMAKURU MILK PRODUCERS MUTUALLY AIDED CO OPERATIVE SOCIETY PENAMAKURU VILLAGE THOTLLAVALLURU MANDAL KRISHNA DISTRICT

...PETITIONER

AND

1. THE MILK COMMISSIONER CUM MANAGING DIRECTOR, THE ANDHRA PRADESH DAIRY DEVELOPMENT CO OPERATIVE FEDERATION LIMITED APDDCF APIIC TOWERS IT PARK MANGALAGIRI GUNTUR DISTRICT 522503
2. A P CO OPERATIVE TRIBUNAL, REP BY ITS CHAIRMAN MAHA LAKSHMI ESTATE ADJACENT TO MENAKA HOTEL BESANT ROAD VIJAYAWADA A P 520002
3. THE DISTRICT CO OPERATIVE OFFICER, AMC COMPLEX GOVERNOR PETA VIJAYAWADA N T R DISTRICT ANDHRA PRADESH 520002
4. THE ELECTION OFFICER TO THE KRISHNA DISTRICT MILK PRODUCERS MUTUALLY AIDED COOPERATIVE UNION LTD, SRI LANKA GURUNADHAM S O VENKAYA AGED ABOUT 72 YEARS RESIDING AT PLOT NO 41 D NO 59A 8 8 6131 MARUTHI COOPERATIVE COLONY AUTO NAGAR ROAD VIJAYAWADA 8
5. THE KRISHNA DISTRICT MILK PRODUCERS MUTUALLY AIDED COOPERATIVE UNION LTD, REP BY ITS MANAGING DIRECTOR CHITTI NAGAR MILK PRODUCTS FACTORY VIJAYAWADA AP 520009
6. NELAKUDHITI NAGESWARAO, ELECTED DIRECTOR S O VENKATESWARA RAO AGED ABOUT 63 YEARS KETHAVEERUNIPADU MPMACS KETHAVEERUNIPADU VILLAGE NANDHIGAMA MANDAL N T R DISTRICT 521185

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7. PALADUGU VENKATA RAMA PRASAD, ELECTED DIRECTOR S O HANUMANTHARAO AGED ABOUT 55 YEARS GANNAVARAM MPMACS GANNAVARAM KRISHNA DISTRICT 521101
8. PALLAGANI KONDALA RAO, ELECTED DIRECTOR S O KASULU AGED ABOUT 58 YEARS CHINA AGIRIPALLI MPMACS CHINA AGIRIPALLI VILLAGE AGIRIPALLI MANDAL ELURU DISTRICT 521211

...RESPONDENT(S):

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 toissue an appropriate writ order or direction more particularly one in the nature of Writ of Certiorari calling for the records in E O P No 56 of 2022 on the file of the 2nd respondent Tribunal and set aside the order dated 27 05 2026 passed by the third Member ie the Additional Registrar Member of the 2nd respondent Tribunal so also the conflicting orders dated 21 07 2023 passed by the then Chairman and the then Additional Registrar Member of the 2nd respondent Tribunal in E O P No 56 of 2022 as illegal arbitrary without jurisdiction and contrary to merits factual issues violative of principles of natural justice and consequently declare the rejection of the nomination of the petitioner dated 24 08 2022 by the 4th respondent Election Officer as null and void and set aside the elections held on 30 08 2022 to the 3 directors posts of the 5th respondent union and direct the respondents to conduct fresh elections to the said 3 directors posts duly considering the nomination of the petitioner and by following the statutory provision

IA NO: 1 OF 2026

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 Dispense with filing of the certified copy of the Decree and Judgement in E O P No 56 of 2022 order dated 27 05 2026 passed by the third Member ie the Additional Registrar Member of the 2nd respondent Tribunal so also the conflicting orders dated 21 07 2023 passed by the then Chairman and the then Additional Registrar Member of the 2nd respondent Tribunal in E O P No 56 of 2022 in the interest of justice and Equity

Counsel for the Petitioner:

1. GANTA PRASAD

Counsel for the Respondent(S):

1. K S MURTHY ASSOCIATES
2. GP FOR COOPERATION
3. A V S LAXMI

The Court made the following:

THE HONOURABLE SRI JUSTICE HARINATH.N
WRIT PETITIONNos.23150, 24861, 25053 of 2026

COMMON ORDER:

1. The issue in WP.No.23150 of 2026 and WP.No. 24861 of 2026 is the same, and the petitioners are challenging the order passed by the Andhra Pradesh Co-operative Tribunal in EOP.No.16 of 2023, whereby the Tribunal set aside the decision of the Election Officer in rejecting the Nomination of the respondent No.1 for the 2023 elections, resulting in a direction to conduct the elections afresh by duly considering the nomination of the respondent No.1 as Valid. The issue in WP.No.25053 of 2026 is also similar; it is filed by the Candidate whose rejection of the nomination by the election officer for the 2022 elections is upheld by the Andhra Pradesh Co-Operative Tribunal.
2. WP.No.24861 of 2026 is filed by the Krishna District Milk Producers Mutually Aided Co-operative Union Ltd and WP.No.23150 of 2026 is filed by the President of Penamakuru Milk Producers Mutually Aided Cooperative Society Directors who were elected in the 2023 elections. The 1st respondent in the said writ petitions has filed WP.No.25053 of 2026, as the issue involved is similar and common arguments are advanced by the Learned Counsel for the parties; with the consent of the learned counsel appearing for the respective parties, a common order is passed.

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3. Learned Senior Counsel, Sri. P. B. Vijay Kumar, appearing for the petitioners in WP 24861 of 2026, submits that Krishna District Milk Producers Mutually Aided Co-operative Union Ltd. is a district-level mutually aided Co-operative Union registered under the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 (hereinafter referred to as the KDMP Union). It is submitted that several smaller milk producers' mutually aided co-operative societies are members of the KDMP Union.

4. Learned Senior Counsel Sri P.B.Vijay Kumar, appearing for the petitioner in WP.No.24861 of 2026, submits that the Tribunal, by allowing EOP.No.16 of 2023, set aside the completed election held on 12.08.2023 for both the Director Posts and directed the petitioner KDMP Union to hold a fresh election by duly considering the nomination filed by the first respondent in the year 2023. It is submitted that the said order operates against the KDMP Union and interferes with its statutory election, administration, and governance.

5. It is submitted that, in setting aside the rejection of the nomination of respondent No.1 dated 07.08.2023, the Tribunal directed the KDMP Union to conduct the elections afresh vide its order in EOP.No.16 of 2023. It is submitted that the Tribunal could not have revisited the grounds for rejecting the first respondent's nomination and held a directly opposite view, as in EOP.No.56 of 2022. It is submitted that the Tribunal could not have taken a different stance while deciding

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Identical issues. Respondent No. 1 filed EOP.No.56 of 2022 challenging the rejection of the first respondent's nomination for the 2022 KDMP Union elections. The members of the Tribunal differed in opinion vide order dated 21.07.2023.

6. It is submitted that the Tribunal delivered a split verdict in EOP.No.56 of 2022 and, as such, as per the directions of the learned Division Bench of this Court in Writ Appeal 09.04.2024 in WP.No.15652 of 2024 dated 03.2.2026, the dispute in EOP.No.56 of 2022 was referred to a third member. The third member opined that the EOP deserves to be dismissed and accordingly dismissed EOP.No.56 of 2022 vide order dated 27.05.2026. It is also submitted that EOP.No.56 of 2022 was decided by 3 members; as such, the first respondent filed MP.No.89 of 2025 in EOP.No.16 of 2023, seeking to refer EOP.No.16 of 2023 to a full bench of 3 members comprising the Chairman and 2 members for disposal of EOP.No. 16 of 2023. The said MP was allowed on 08.09.2025, and the impugned order dated 31.07.2026 was passed by a full bench.

7. It is submitted that the circumstances under which the orders were pronounced in EOP No. 16 of 2023 raise serious doubts and an element of suspicion. It is submitted that the Additional Registrar/Member of the Tribunal was due to retire on 31.07.2026 and that the said member could not have conducted the hearing beyond the office working hours. It is specifically stated by the learned Senior

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Counsel that orders in EOP.No.16 of 2023 were passed at 05:10 p.m. It is submitted that the Tribunal's normal office working hours are from 10:30 a.m. to 05:00 p.m., with a lunch break from 01:30 p.m. to 02:30 p.m. It is submitted that the Tribunal member could not have overstepped the Tribunal's working hours and pronounced an order in an important matter by taking a stand contradictory to that in the order passed in the earlier round of litigation, rendered in EOP 56 of 2022.

8. It is submitted that the tribunal erred in not considering Exhibit A5 and Exhibit A6 are the certified copies filed in E.O.P.No.16 of 2023 (Originals are marked as Ex.A13 and Ex.B1 in E.O.P.No.56 of 2022), which conclusively established a business arrangement between the KDMP union and the first respondent's wife. It is submitted that the bylaws of the KDMP Union would disqualify a person from contesting if such person has business dealings with the KDMP Union and, when such person is due payable amounts to the KDMP Union, the election officer had rightly rejected the nomination of the respondent No. 1. It is submitted that the KDMP Union had filed an arbitration case by claiming an amount of ₹5,30,52,901/-. It is submitted that the Arbitration Award was passed in favour of the KDMP Union, and the respondent would have to clear the outstanding dues before being considered eligible to contest the KDMP Union elections.

9. It is further submitted that the first respondent cannot escape liability and claim to be unconnected with the proprietary concern of the first

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respondent's wife, i.e., Ratnalamma Diary. It is further submitted that Exhibits A5 and A6 are the documents submitted by Respondent No. 1 in EOP 16 of 2023, and the first respondent endorsed his signature as a witness to the contents of the agreement and as a Director of Ratnalamma Dairy. It is also submitted that the first respondent cannot escape liability after admittedly endorsing his signature on the agreements between Ratnalamma Dairy and the KDMP Union.

10. It is submitted that the Tribunal erred in holding that the contractual obligation between Ratnalamma Dairy and the KDMP Union was not extended beyond February 2022; it has ignored the liability subsisting against the first respondent by way of an award passed in the arbitration proceedings. It is submitted that any liability of a person to the KDMP Union would disqualify such person from contesting till the dues are cleared. The tribunal did not consider the union's bylaws before passing the impugned order.

11. Learned Senior Counsel relies on **Sant Lal Gupta & Others V/s Modern Co-operative Group Housing Society Limited & Others**[1]. The Hon'ble Supreme Court held that the Coordinate Bench cannot comment upon the discretion exercised or judgment rendered by another Coordinate Bench of the same Court. The Rule of Precedent is binding because it seeks to secure uniformity and certainty in law. It was also observed that a bench must follow the discretion and

[1] 2010 13 SCC 336

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decision of a Coordinate Bench and take the same view as taken earlier. The earlier decision of the Coordinate Bench is binding upon any later Coordinate Bench deciding the same or similar issues. It was also held that if a later Bench wants to take a different view from the earlier Bench, the proper course is to refer the matter to a larger Bench. At para 19 of the Judgment, the Hon'ble Supreme Court held that a divergent view from an earlier coordinate bench, without explaining why it could not follow the said precedent, was not permissible. It was also observed at para 21 that what cannot be done directly cannot be done obliquely; that is, whatever is prohibited by law cannot be effected by an indirect and circuitous contrivance.

12. Learned Senior Counsel places reliance on Vipulbhai M.Chaudhary Vs. Gujarat Cooperative Milk Marketing Federation Limited and others[2], the Hon'ble Supreme Court held at Para 51 is as follows ;

> The cooperative society registered under the Central or the State Act is bound to function as a democratic institution and conduct its affairs based on democratic principles. Democratic functioning on democratic principles is to be reflected in the respective Acts or Rules or Bye-laws both on the principle and procedure. If not, it is for the court to read the democratic principles into the Act or Rules or Bye-laws. If a procedure is prescribed in any Act or Rule or Bye-law regarding election of an office bearer by the Board, as defined under Article 243ZH(b) of the Constitution of India, and for removal thereof, by way of a motion of no confidence, the same procedure has to be followed. In case there is no express provision under the Act or Rules or Bye-laws for removal of an office bearer, such office bearer is liable to be removed in the event of loss of confidence by following the same procedure by which he was elected to office.

[2] (2015) 8 SCC page 1

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Learned Senior Counsel submits that the Tribunal has erred in allowing the petition by ignoring the settled principle of law regarding election of an office bearer and the applicable by-laws.

13. Learned Senior Counsel places reliance on **Jamia Masjid Vs. Sri K.V.Rudrappa (sinceDead) by Legal Representatives and others**[3]. It was observed that once a competent court decides an issue of law and fact in an earlier proceeding, the same parties may not, for the same reason, seek reopening of the issue and a fresh determination in a subsequent proceeding between the same parties.

14. Learned Senior Counsel places reliance on **Mathura Prasad Bajoo Jaiswal and others Vs. Dossibai N.B.Jeejeebhoy**[4]. It was observed by the Hon'ble Supreme Court that in determining the application of the Rule of Res Judicata, the Court is not concerned with the correctness or otherwise of the earlier Judgment. If the matter in issue is purely a question of fact and was decided in the earlier proceedings by a competent court, it must, in subsequent litigation between the same parties, be regarded as finally decided and cannot be reopened.

15. It is submitted that there was absolutely no change in circumstances for the Tribunal between deciding EOP.No.16 of 2023 and passing a divergent order in EOP.No.56 of 2022. When there was no change in

[3] 2022 9 SCC page 225
[4] 1970(1) SCC page 613

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circumstances, EOP.No.16 of 2023 ought to have been dismissed, as it would have conformed with the order passed in EOP.No.56 of 2022.

16. Learned counsel appearing for respondent no. 1 in WP 24861 of 2026 and WP.No.23150 of 2026 submits that the issue involved in EOP.No.56 of 2022 and EOP.No.16 of 2023 cannot be considered identical. They are different election petitions arising from distinct causes of action. It is submitted that EOP.No.16 of 2023 was allowed, setting aside the election held on 12.08.2023 for the 2 posts of directors of the petitioner union, and directing fresh elections to be held for the said posts.

17. It is submitted that the elected directors in the disputed election held on 12.08.2023 have filed WP.No.23150 of 2026, which was pending, and KDMP Union was also a party respondent. However, KDMP Union has filed a separate Writ Petition seeking parallel and identical reliefs.

18. It is submitted that the first respondent's nomination was rejected on 07.05.2023 on two grounds i.e., **(1)** Business transactions of the member with the union and that the member is due an amount of ₹5,30,52,901/- under by-law 24(1) (H) **(2)** The proposer and seconder to the nomination of Veerapaneni Siva Ram Prasad failed to attend one of the last two General Body meetings.

19. It is submitted that no notice was issued to the petitioner before rejecting his nomination. It is submitted that the grounds on which the

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petitioner's nomination was rejected do not withstand legal scrutiny. On facts, the petitioner is not a director or officer in charge of the affairs of Ratnalamma Diary, and it is a proprietary concern of the first respondent's wife. It is submitted that the petitioner has no role or share in the said business and that the alleged dues of Ratnalamma Diary, which is managed by the wife of the petitioner independently, without the assistance of the first respondent, and the alleged dues, if any, on account of the arrangement between Ratnalamma Diary and the KDMP Union cannot fasten any liability or accountability on the respondent no. 1, rendering his disqualification under clause 24(1)(H) of the bye-law.

20. It is submitted that the grounds for rejection of nomination of the respondent no. 1 for the year 2022 election referred solely to bye-law 24, alleging dues of ₹4,26,58,300/-. The ground for rejection with respect to the 2023 election is also concerned; the order of rejection for the 2023 election introduces an additional ground. It is submitted that the challenge to the rejection orders before the Tribunal refers to the specific grounds for rejection of nomination. Accordingly, the petitioner's contention that the Tribunal ought not to have taken a divergent view on the same issue between the same parties is incorrect.

21. It is submitted that the Tribunal has passed a well-reasoned order in so far as EOP.No.16 of 2023 is concerned and it is based on the

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evidence adduced; as such, the challenge to the order passed by the Tribunal in EOP.No.16 of 2023 deserves to be rejected, and WP.No.24861 of 2026 and WP.No.23150 of 2026 deserve to be dismissed. It is submitted that WP.No.25053 of 2026 challenges the Tribunal's order dismissing EOP.No.56 of 2022, whereby the Tribunal upheld the rejection of the petitioner's nomination by referring to clause 24 of the bye-laws. It is submitted that the Tribunal's order in EOP.No.56 of 2022 deserves to be set aside and the petitioner's nomination ought to be upheld.

22. Learned counsel for respondent No. 1 submits that the petitioner has not placed the complete copy of the order passed in EOP.No.16 of 2023 before this Court along with the Writ Petition to secure interim relief. It is submitted that the grounds raised are frivolous and baseless. It is submitted that, depending on the requirements of any case, the Courts/Tribunals work beyond office hours only to render justice. The other ground raised is that, on the day the order was passed, i.e., 31.7.2026, one of the members was due to retire. It is submitted that such grounds amount to contempt of the Court, as malafides are attributed to the Hon'ble Members of the Tribunal.

23. It is submitted that, to secure an interim order, the petitioner has placed before this Court the abstract of the order pronounced in open court, though a copy was made available to all parties on the same day. It is also submitted that there is no scope to follow the order

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passed in EOP.No.56 of 2022 by the Tribunal in EOP.No.16 of 2023. It is also submitted that each EOP filed and decided by the Tribunal is on a separate, distinct and definitive cause of action. The Tribunal has passed orders based on the material available.

24. It is submitted that Exhibits A5 and A6, which were initially filed by the KDMP Union before the Tribunal in EOP.No.56 of 2022, were obtained and filed by Veerapaneni Siva Ram Prasad in EOP.No.16 of 2023. It is submitted that Veerapaneni Siva Ram Prasad disputes and denies the witness signatures on those documents. It is submitted that KDMP Union, which has produced those documents, has not taken any steps to have them verified by a handwriting expert. Instead, it has relied on the tampered documents. It is also submitted that the Tribunal ought to have referred Exhibits A5 and A6 to a handwriting expert, and an issue ought to have been framed by the Tribunal on the admissibility or genuineness of those documents which were produced by the KDMP Union for allegedly establishing the business transaction between the KDMP Union and the wife of Veerapaneni Siva Ram Prasad, it is submitted that on this ground alone, the Tribunal's order in EOP.No.56 of 2022 ought to be set aside.

25. It is also submitted that the arrangement between Ratnalamma Dairy and the KDMP Union is between two entities, and that Veerapaneni Siva Ram Prasad is neither a signatory to the said arrangement nor has carried on the business as an active partner of Ratnalamma

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Dairy. It is submitted that Ratnalamma Dairy is a proprietary concern and the sole proprietor is a legal entity. The wife of Respondent No. 1 was the proprietor of Ratnalamma Dairy, and bylaw 24(1)(H) does not include the family members of a member of the KDMP Union or the extended relatives of the member for invoking clause 24(1)(H) to disqualify a member from contest.

26. It is also submitted that the business of the Proprietary Concern is not akin to the business of the KDMP Union. Ratnalamma Dairy is in the business of chilling milk and supplying it to the KDMP Union. The scheme of arrangement between Ratnalamma Dairy and the KDMP Union does not involve buying or supplying milk. It is submitted that the KDMP Union procures milk from various farmers or smaller unions and supplies it to Ratnalamma Dairy for chilling, and then resupplies it to the KDMP Union. The KDMP Union then sells the chilled milk and distributes it through its network of distributors to reach the end consumer. It is submitted that Clause 24 of the bylaw would forbid a member from indulging in a business akin to the KDMP Union's business.

27. Learned Senior Counsel, Sri. K. S. Murthy, appearing for Respondent Nos. 6 and 7 in WP.No.25053 of 2023, submits that elections for subsequent years have also been held, and challenging the orders passed in EOP.No.56 of 2022 and EOP.No.16 of 2023 before this court is more of an academic exercise. It is also submitted that the

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respondents have filed a detailed counter, and the Tribunal has dealt with the controversy in detail; the scrutiny officer found that the petitioner's disqualification referred to bye-law 24. It is submitted that the Tribunal has also found that the Memorandum of Understanding dated 21.04.2016 was signed by the petitioner in the capacity of Director-Operations, Ratnalamma Dairy. It is also submitted that the claim of the KDMP Union was not raised on Ratnalamma Dairy soon after the petitioner filed the EOP.No.56 of 2022. It is submitted that Arbitration Application No.28 of 2021, was filed well before the election notification itself. Accordingly, the petitioner's presumption that a false claim was set up solely to reject the petitioner's nomination to contest as a director of the Union is unfounded. It is also submitted that an Award dated 03.02.2023 was passed and Ratnalamma Diary is due payable considerable amount.

28. Learned Senior Counsel also submits that this is not a simple case of a member having a business transaction; the member's dues must also be considered as a disqualification under Clause 24. It is submitted that the petitioner cannot shirk off the liability to the proprietary concern. While admittedly the said concern is managed by the petitioner's wife, it is further submitted that all eligible voters are entitled to vote in the election; however, when the issue of contesting the election is concerned, the bye-laws prevail, and the bye-law specifying disqualification for contest by the member shall prevail.

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29. Learned Senior Counsel Sri. P. V. Vijay Kumar, in reply, submits that the provisions of Andhra Pradesh Mutually Aided Co-operative Societies Act apply to the present set of facts and circumstances. It is also submitted that the Tribunal dealt with the relationship between the petitioner and Ratnalamma Dairy at para 53 of the order passed in EOP 56 of 2022. It is submitted that the petitioner would not have considered himself eligible to contest the elections, as the liability subsisted and clause 24E would have prevented the petitioner from contesting until the liability was cleared.

30. Learned counsel, Sri. Ganta Prasad and Sri Sitaram Chaprala, appearing for the 1st respondent in WP 24861 and WP 23150 of 2026, in their reply, refer to the various admissions in the evidence recorded by the Tribunal and submit that the liability of a third party cannot be fastened to the respondent and, admittedly, the respondent never had any business arrangements with the KDMP Union.

31. The learned counsel for the petitioner in WP 25053 of 2026 has relied on the following judgments.**Vithal S.Venekar & 5 Others V/s Sandesh Mandrekar & 4 Others**[5]**,** the Mumbai High Court was considering the issue of disqualification for being a director and dealt with a similar issue. When a member or a family member conducts a business of the kind carried on by the society, it attracts disqualification; the Court held that, on the facts of that case, merely

[5] 2025:BHC:GOA-759 (Decided on 16.04.2025 in WP.No.87 of 2025 by High Court of Bombay at Goa)

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because a family member is running the business, that by itself does not draw the disqualification.

32. **Principal Accountant-General, Andhra Pradesh & another Vs. C.Subba Rao**[6]: A full-bench judgment of this Court. The issue of the time and day of retirement of a Government Servant was considered, and it was held that a Government Servant retiring on a particular day would cease to be a Government Servant by midnight of that day.

33. Heard learned Senior Counsel and learned counsel appearing for various parties, and perused the record.

34. The rejection of nomination of Veerappaneni Sivarama Prasad on 24.08.2022 and 07.08.2023 is perused. Insofar as the rejection of nomination on 24.08.2022 is concerned, the rejection refers to the alleged outstanding of ₹4,26,58,300/-, and that the same is subject to arbitration pending on the file of the Andhra Pradesh High Court and bylaw No. 24 is referred to

35. The rejection of nomination dated 07.08.2023 refers to the alleged dues of ₹5,30,52,901/-, which are pending adjudication before the learned Arbitrator appointed by the Andhra Pradesh High Court. Another ground for rejecting the petitioner's nomination is that the proposer and the seconder did not attend the General Body meetings; as such, the nomination is rejected.

[6] 2005 SCC OnLine AP47

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36. As seen from the deposition of RW2 in EOP.No.56 of 2022, the witness is the Managing Director of the KDMP Union and has admitted in the cross-examination that the financial audit reports of the KDMP from 2015 to 2016 and till the date of cross-examination, i.e. 10.07.2023, do not reflect the alleged dues of ₹4,26,58,300/-. RW2 further admitted in cross-examination that there is no documentary proof to prove that the petitioner participated in the day-to-day activities of Ratnalamma Dairy. It was further admitted that no contract or business existed between Ratnalamma Dairy and KDMP Union after 2020-2021. In cross-examination, it was specifically admitted that, as of the date of the election for the year 2022, there was no business transaction between Ratanalamma Dairy and the KDMP Union.

37. The Managing Director of the KDMP Union deposed as RW 1 in EOP.No.16 of 2023 and admitted in cross-examination that they had not filed any documents to establish business transactions between Veerappaneni Shivaram Prasad and the KDMP Union. In cross-examination, it was further admitted that the nomination of Veerappaneni Shivaram Prasad was rejected on the ground that his wife, Veerappaneni Padmaja, is doing business with the KDMP Union. It is also admitted in cross-examination that, since 2021, there have been no business dealings between the KDMP Union and Ratnalamma Diary. It is also admitted in cross-examination that no

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proof has been filed to establish that the proposer and the seconder failed to attend one of the two preceding consecutive general body meetings.

38. This Court must consider the extent to which a proprietor's liability can be transferred to family members and the circumstances under which such liability may be transferred.

39. The basic principles governing a sole proprietorship concern are as follows:

> **(a)** a sole proprietorship concern is owned and controlled by one individual.
>
> **(b)** the owner and business are legally not separate
>
> **(c)** profits belong to the proprietor
>
> **(d)** The proprietor bears all business losses and liabilities personally
>
> **(e)** The business generally comes to an end after the expiry of the business arrangement or on the death of the proprietor; the assets and business may be transferred after the demise of the proprietor.
>
> **(f)** The income generated by the proprietor is taxed as individual income.

40. Admittedly, Ratnalamma Diary is a proprietary concern, as per Exhibit A13, B1 & B2 in EOP.No.56 of 2022 before the Tribunal. The signature of Veerapaneni Siva Ram Prasad appears to vary when the alleged signature in Ex A13, Ex B1 and Ex.B2 is compared with the Signatures on the Vakalatnama filed in the writ petitions and the pleadings in EOP.No.56 of 2022 and EOP.No.16 of 2023. To the

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naked eye, the signatures of Veerapaneni Siva Ram Prasad endorsed in EOP.No.56 of 2022, EOP.No.16 of 2023, and the vakalatnama filed in the writ petitions appear similar. This Court is not opining on the issue, as their genuineness and authorship would require appropriate forensic examination. Veerpaneni Siva Ram Prasad's claim, disputing the signatures on Ex.A13, Ex.B1 and Ex.B2, is a disputed question of fact, and this Court is not inclined to tread into that scope.

41. Insofar as, the challenge to disqualification of the petitioner for contest is concerned, which is the subject of WP.No.25053 of 2026. The only ground on which the petitioner therein was found disqualified for contesting the election is the bar under Clause 24 of the by-laws of the Union.

> Clause 24(1) (e) :: The contestant and representative of the member union ought not to be due any amount to the union.
>
> Clause 24(1)(h) :: The member should not have any contracts, property transactions, or commercial transactions with the union.

42. On the facts of the case, it is admitted that the wife of the person whose nomination was rejected had business transactions with the KDMP Union. Those business transactions were concluded by the year 2021. As on the date of the election notification for the year 2022, the business transaction or arrangement for milk chilling did not subsist by way of any memorandum of understanding or individual contract. Similarly, as of the date of notification for the 2023 election,

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the wife of the person whose nomination was rejected had no business dealings with the union.

43. The only question for consideration is whether the nomination of a contestant could be rejected by referring to Clause 24(1)(e) & (h), and whether liability arising from such a business transaction can be fastened to the proprietor's family members.

44. The Hon'ble Supreme Court, in **Vinayak Purshotham Dude (deceased) v/s Jayashree Padmakar Bhat**[7], dealt in detail with proprietorship and personal rights. The Hon'ble Supreme Court also referred to Sections 37 and 40 of the Indian Contract Act, 1872. It held that the parties' obligation to contract, and the person by whom the promise is to be performed, cannot be performed vicariously by the promisor's legal representatives without a specific averment in the contract. The Hon'ble Supreme Court also held that duties or obligations that are personal in nature cannot be transmitted from a person who had to personally discharge them, on his demise, to his legal representatives. Just as a right is uninheritable and the right personal to him dies with the owner of the right, similarly a duty cannot be transferred to the legal representatives of the deceased if the same is personal in nature.

45. The legal position is clear as to the proprietor's liability, particularly when liability is fastened to legal representatives, such as a spouse or

[7] 2024 INSC 159

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children. The proprietor alone is responsible for the debts of the proprietorship. The spouse of the proprietor or the children of the proprietor do not automatically become debtors. Exceptions arise when the spouse or children have executed a personal guarantee or jointly own the property concerned. Section 50 of the Civil Procedure Code, 1908, provides that legal representatives can be proceeded against for an outstanding decree, but only to the extent of the deceased's estate received by them. The KDMP Union's attempt to fasten liability for the allegedly due amount on the proprietor's spouse cannot be permitted. The contractual liability of a living sole proprietor cannot be fastened upon his or her spouse merely by virtue of a marital relationship. The spouse is a separate legal person and is not automatically liable for the proprietor's business obligations. Marriage does not, by itself, create an agency or partnership between husband and wife. The spouse may be aware of the business, they may reside under one roof and lead marital life, and the business may conducted for the benefit of the family and the family enjoys the business profit does not, ipso facto, make the spouse contractually liable.

46. The Hon'ble Supreme Court, in **Raghu Lakshminarayanan v. M/S Fine Tubes**[8], held that the proprietor is personally liable for the business's affairs.

[8] AIR2007 SC 1634

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47. The Allahabad High Court in **Pawan Garg V/s State of UP**[9]. The Hon'ble High Court of Allahabad considered whether the proprietor's spouse could be summoned in a complaint filed under Section 138 of the Negotiable Instruments Act. The Hon'ble High Court held that the spouse could not be summoned unless the proprietor executed a guarantee or acted as an authorised signatory or agent of the wife.

48. The High Court of Kerala, in **Lonankutty Antony v. Joint Registrar Co-operative Societies**[10], held that one spouse cannot be made liable for the contractual obligations of the other without contractual consent or another legal basis. The Kerala High Court was dealing with the issue of refusal of the Bank to return the documents mortgaged by the Writ Petitioner on the premise that the petitioner's wife was due and had defaulted in repayment of the loan and the property documents mortgaged by the Writ Petitioner could not be released in view of the automatic lien extended by the Bank over those documents for the loan obtained by the wife of the petitioner therein. The learned Judge directed the Bank to return the documents and held that it is immaterial whether the husband and wife reside under one roof, and that one spouse's liability cannot be automatically transferred to the other spouse without a valid document.

49. On the facts of the present cases, the alleged liability arising from an arbitration award in favour of the KDMP Union against the wife of

[9] 2023 SCC Online All 141
[10] 2016 SCC Online Page 481

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Veerappaneni Siva Ram Prasad is concerned; Veerappaneni Padmaja, the proprietor of Ratnalamma Diary, would have to deal with it. The petitioner in WP.No.25053 of 2026 and the first respondent in WP.No.24861 of 2026 and WP.No.23150 of 2026 are not privy to the contract with the KDMP Union. As seen from the annexures filed and the additional annexures placed before this Court, the arbitration proceedings are initiated against Ratnalamma Diary alone, represented by its proprietor. In such circumstances, the Election Officer, having duly considered the complaints received from the other members, could not have rejected the nomination of Veerappaneni Shiva Ram Prasad by referring to Clause 24(1)(h) and (e) of the bylaws.

50. The wife's liability cannot be fastened to the husband, and bye-law 24 cannot be pressed into service to invalidate the nomination filed by Veerappanini Shiva Ram Prasad. The law is clear and requires no further interpretation.

51. The Tribunal erred in holding that Clause 24 is applicable to Veerappanini Siva Ram Prasad and in upholding the rejection of the petitioner's nomination by dismissing EOP.No.56 of 2022. When the Tribunal has committed a fundamental error by holding that Clause 24 is applicable, and the nomination could be rejected in view of the disqualification, this Court has to rectify the same, as law cannot be misinterpreted to suit a particular situation or circumstance.

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52. The other grounds pertain to the passing of orders beyond Court/Tribunal working hours and on the day of retirement of the member concerned. The member continues to function and discharge his statutory duties on the last date of his service and till the clock strikes 12 Midnight. The effort of Courts and Tribunals functioning beyond the working hours is in the interest of justice and as demanded by any particular case dealt with by the Tribunal/Court. No mala fides can be attributed; there are several instances when courts function beyond working hours and even late into the night.

53. The Tribunal passed a well-reasoned order in EOP.No.16 of 2023. It rightly set aside the order rejecting the nomination, and further directed the union to conduct a fresh poll by duly considering the petitioner's nomination. The Tribunal has considered all aspects and passed a detailed order that calls for no interference; for these reasons, WP.No.24861 of 2026 and WP.No.23150 of 2026 deserve to be dismissed.

54. WP.No.25053 of 2026 **:** The Tribunal erred in upholding the election officer's decision to reject the petitioner's nomination, primarily on the ground that bye-law 24 would disentitle the petitioner to contest the elections. This Court has discussed in detail the liability arising out of a contract entered into by a proprietor. It is also settled law that a proprietor's liability cannot be fastened on family members without a legal document transferring that liability. The tribunal has no doubt

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erred in referring to bye-law 24 and disentitled the petitioner to contest the election. The Election Officer's action is contrary to law and the established law governing a proprietor's liability. Accordingly, WP.No.25053 of 2026 deserves to be allowed.

55. Accordingly, WP.No.24861 of 2026 and WP.No.23150 of 2026 are dismissed and WP.No.25053 of 2026 is allowed. There shall be no order as to costs.

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

JUSTICE HARINATH.N

Dated 16.11.2026
KGM

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THE HONOURABLE SRI JUSTICE HARINATH.N

WRIT PETITIONNos.23150, 24861, 25053 of 2026
Dated 16.11.2026

KGM

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