CNR : KLHC010732352026

2026:KER:84208

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE DR. JUSTICE A.K.JAYASANKARAN NAMBIAR

&

THE HONOURABLE MRS. JUSTICE PREETA A.K.

WEDNESDAY, THE 4TH DAY OF NOVEMBER 2026/13TH KARTHIKA, 1948

W.A.NO.1948 OF 2026

AGAINST THE JUDGMENT DATED 08.09.2026 IN W.P(C).NO.26446 OF 2026
OF HIGH COURT OF KERALA

APPELLANT(S)/PETITIONERS:

1 MANI VISWANATH
AGED 67 YEARS
D/O K V MADHAVAN, VISWA BHAVANAM, KEERIKKADU PO,
ALAPPUZHA, PIN - 690508

2 MOHANAN PILLAI K R
AGED 70 YEARS
S/O KUNJIRAMA KURUP, KARTHIKA, KOTTARA, MEEYANNOOR P O,
KOLLAM, PIN - 691537

3 PADMAKUMAR V S
AGED 68 YEARS
S/O SREEDHARAN NAIR, ANITHA BHAVAN, EDAVACOD,
SREEKARYAM P O, THIRUVANANTHAPURAM- 17, PIN - 695017

4 BEENA P V
AGED 58 YEARS
D/O LATE VASUKUTTY, VISHNU NIVAS, KOTTA P O,
PATHANAMTHITTA, PIN - 689504

5 AJITH SINGH WR
AGED 55 YEARS
S/O WOODWIN W, A.P BHAVAN, ULLAS NAGAR, NARANI,
KUNNATHUKAL P O, THIRUVANANTHAPURAM, PIN - 695504

BY ADV.SRI. RENJITH THAMPAN (SR.)
BY ADV.SRI.P.C.SASIDHARAN

RESPONDENT(S)/RESPONDENTS:

1 STATE OF KERALA
REPRESENTED BY SECRETARY,
DEPARTMENT OF DAIRY DEVELOPMENT, SECRETARIAT,
THIRUVANANTHAPURAM, PIN - 695001

2 DIRECTOR, DAIRY DEVELOPMENT DEPARTMENT
OFFICIATING REGISTRAR OF COOPERATIVE SOCIETIES,
PATTOM, THIRUVANANTHAPURAM, PIN - 695004

3 THIRUVANANTHAPURAM REGIONAL CO-OPERATIVE MILK
PRODUCERS' UNION LTD
PATTOM, THIRUVANANTHAPURAM,REPRESENTED BY ITS
MANAGING DIRECTOR, PIN - 695004

4 ADMINISTRATOR, [JOINT DIRECTOR (PLANNING)]
DAIRY DEVELOPMENT DEPARTMENT, THIRUVANANTHAPURAM,
PIN - 695004

5 KERALA STATE CO-OPERATIVE UNION, SAHAKARANA BHAVAN
OOTTUKUZHI P.B. NO: 108, THIRUVANANTHAPURAM , KERALA,
INDIA, REPRESENTED BY ITS SECRETARY, PIN - 695001

6 KERALA COOPERATIVE MILK MARKETING FEDERATION
MILMA BHAVAN, PATTOM, THIRUVANATHAPURAM, REPRESENTED
BY ITS MANAGING DIRECTOR, PIN - 695004

BY SRI.K.JAJU BABU, ADVOCATE GENERAL
BY SRI.ARUN CHANDRAN, SPL.GOVERNMENT PLEADER (CO-OPERATION)
BY ADV.SRI.P.N. MOHANAN

THIS WRIT APPEAL HAVING BEEN FINALLY HEARD ON 29.10.2026, ALONG WITH W.A.NO.1991 OF 2026, THE COURT ON 04.11.2026 DELIVERED THE FOLLOWING:

2026:KER:84208

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE DR. JUSTICE A.K.JAYASANKARAN NAMBIAR

&

THE HONOURABLE MRS. JUSTICE PREETA A.K.

WEDNESDAY, THE 4TH DAY OF NOVEMBER 2026/13TH KARTHIKA, 1948

W.A.NO.1991 OF 2026

AGAINST THE JUDGMENT DATED 08.09.2026 IN W.P(C).NO.26123 OF 2026 OF HIGH COURT OF KERALA

APPELLANT(S)/PETITIONERS 1 TO 4:

1 K.KRISHNAN POTTY
AGED 65 YEARS
S/O S.KESAVAN POTTY, SREENILAYAM, PULLAYIL P.O,
KILIMANOOR, THIRUVANANTHAPURAM DISTRICT, PIN - 695601

2 VASUDEVAN UNNI P.G.
AGED 56 YEARS
S/O GOPALAKRISHNAN UNNI, MEERA BHAVAN, NADUTHERI,
THALAVOOR.P.O, KOLLAM DISTRICT, PIN - 691508

3 K.ANIMON
AGED 55 YEARS
S/O KARUNAKARAN, KODIVILA VEEDU, ANCHAL, NEDIYARA.P.O,
KOLLAM DISTRICT., PIN - 691306

4 T.K.VENUGOPAL
AGED 60 YEARS
S/O T.M.KRISHNA PILLAI, JYOTHIRGAMAYA, NANNIYODU,
PACHA.P.O THIRUVANANTHAPURAM DISTRICT, PIN - 695562

BY SRI.RENJITH THAMPAN (SR.)
BY ADV.SRI.Y.JAFAR KHAN
BY ADV.SRI.V.M.KRISHNAKUMAR

RESPONDENT(S)/RESPONDENTS 1 TO 4:

1 STATE OF KERALA
REPRESENTED BY SECRETARY, DEPARTMENT OF DAIRY DEVELOPMENT,

SECRETARIAT, THIRUVANANTHAPURAM, PIN - 695001

2 DIRECTOR,
DAIRY DEVELOPMENT DEPARTMENT, OFFICIATING REGISTRAR
OF COOPERATIVE SOCIETIES, PATTOM, THIRUVANANTHAPURAM,
PIN - 695004

3 THIRUVANANTHAPURAM REGIONAL CO-OPERATIVE MILK
PRODUCERS' UNION LTD, PATTOM, THIRUVANANTHAPURAM,
REPRESENTED BY ITS MANAGING DIRECTOR., PIN - 695004

4 ADMINISTRATOR
[JOINT DIRECTOR (PLANNING)] DAIRY DEVELOPMENT DEPARTMENT,
THIRUVANANTHAPURAM., PIN - 695004

BY SRI.K.JAJU BABU, ADVOCATE GENERAL
BY SRI.ARUN CHANDRAN, SPL. GOVERNMENT PLEADER (CO-OPERATION)
BY ADV.SRI.P.N.MOHANAN

THIS WRIT APPEAL HAVING BEEN FINALLY HEARD ON 29.10.2026, ALONG WITH W.A.NO.1948 OF 2026, THE COURT ON 04.11.2026 DELIVERED THE FOLLOWING:

2026:KER:84208

"C.R."

J U D G M E N T

Dr. A.K. Jayasankaran Nambiar, J.

The appellants before us were the petitioners in W.P.(C).Nos.26123 and 26446 of 2026, and they are aggrieved by the common judgment dated 08.09.2026 of the learned Single Judge that dismissed their writ petitions.

2. The learned Single Judge having elaborately recorded the facts in the impugned judgment, we choose not to reiterate those in this judgment. Briefly stated, however, the appellants, being members of the Managing Committee of the Thiruvananthapuram Regional Co-operative Milk Producers Union Limited were aggrieved by the order dated 25.07.2026 of the Director, Dairy Development Department, the functional Registrar of Dairy Co-operatives, superseding the Managing Committee in exercise of the jurisdiction under Section 32 of the Kerala Co-operative Societies Act, 1969 [hereinafter referred to as the "Act"]. The facts reveal that the order of supersession was passed without issuing any show cause notice as contemplated under Section 32(1) of the Act and without consultation with the State Co-operative Union as contemplated under Section 32(2) of the Act on the ground that it was not reasonably practical to do so considering the circumstances under which the committee had to be superseded.

3. Before the learned Single Judge, the appellants' contentions were twofold: (i) that there was absolutely no material available with the Registrar to initiate proceedings for supersession of the Managing Committee of the society, which had been elected through a democratic process; and (ii) that, at any rate, there was no justification whatsoever for passing an order of supersession without following the fair procedure envisaged under Section 32(1), and by dispensing with the requirement of issuing a show cause notice considering the objections or consulting the financing bank and the Circle Co-operative Union, as permitted only in exceptional circumstances under Section 32(3) of the Act.

4. The learned Single Judge, after considering the rival submissions, proceeded to reject both contentions and dismissed the writ petitions. Essentially, the learned Judge found that the Registrar had enough material to maintain a substantial allegation pertaining to the supply of ghee to Sabarimala and the said allegation alone was sufficient to supersede the Committee. That apart, the possibility of the Managing Committee tampering with the records covering the subject matter of the allegations justified resort to the procedure under Section 32(3) of the Act and the exclusion of a right to a prior show cause notice.

5. In the appeals before us, we have heard Sri. Renjith Thampan, the learned senior counsel and Sri. P.C.Sasidharana, the learned counsel for the appellants in both these appeals and Sri. K.Jaju Babu, the learned Advocate

General, assisted by Sri. Arun Chandran, the learned Special Government Pleader for the State and Sri. P.N.Mohanan, the learned counsel for the 3rd respondent.

6. At the outset, we may notice the scope and ambit of Section 32 of the Act. Section 32 (1), (2) and (3) of the Act read as follows:

> **32. Supersession of Committee**.- (1) If the Registrar, after an inquiry by himself or through his subordinates or on a report of the financing bank, or the Vigilance, and Anticorruption Bureau of the Government or the Vigilance Officer or otherwise, is satisfied that the committee of any society,-
>
> (a) persistently makes default or is negligent in the performance of the duties imposed on it by this Act or the rules or the bye-laws or does anything which is prejudicial to the interests of the society; or
>
> (b) wilfully disobeys or fails to comply with any lawful order or direction issued under this Act or the rules; or
>
> (c) makes any payment contrary to this Act or the rules or the bye-laws or causes any loss or damage to the assets of the society, by breach of trust or wilful negligence; or
>
> (d) misappropriates or destroys or tampers with the records or causes the destruction of records to cover up any misconduct or malpractice.
>
> He may, after giving the committee an opportunity to state its objections, if any, by order in writing, remove the committee and appoint in its place, one administrator or an administrative committee consisting of not more than three individuals, one among them as convener, who need not be members of the society, to manage the affairs of the society for a period not exceeding six months.
>
> Provided that in the case of Co-operative Society, carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949) shall also apply;
>
> Provided further that in the case of a Co-operative Society, carrying on the business of Banking, appointment of Administrator/administrative committee shall not exceed one year in the aggregate:
>
> Provided also that the Board of Co-operative Society shall not be superseded or kept under suspension where there is no Government share holding or loan or financial assistance or any guarantee by the Government or any Board or Institutions constituted by the Government.
>
> *Explanation I* - For the purpose of this proviso, financial assistances includes any financial assistance from the Kerala Co-operative Development and Welfare Fund Board, Deposit Guarantee Scheme implemented by the Kerala Co-operative Deposit

Guarantee Fund Board, Kerala Co-operative Risk Fund Scheme implemented by the Kerala Co-operative Development and Welfare Fund Board, National Bank for Agriculture and Rural Development, National Co-operative Development Corporation and any other financial institution under the control of the State or Central Government and also any financial assistance guaranteed by the said institutions.

Explanation II - A notice and an order given as per this clause to the President, in his absence to the Vice President or any committee members who is holding charge of President or Vice President or to the Chief Executive of a society shall be treated as an order given to the committee of the society.

(e) Every member of the committee superseded under this section shall from the date of order of such supersession stand disqualified to contest in the election to or to be nominated to the committee of any Society or to be appointed as an administrator in any society for two consecutive terms;

(2) The Registrar shall consult the financing bank and circle co-operative union or State Co-operative Union, as the case may be before passing an order under sub-section (1).

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2) it shall not be necessary to give an opportunity to the committee to state its objections and to consult the Unions and financing banks, in cases where the Registrar is of the opinion that it is not reasonably practicable to do so, subject however to the condition that in such cases, the period of supersession shall generally be for six months and in case a new committee cannot be constituted or enter upon office in accordance with the bye-laws of the society within the period of supersession the period may be extended for a further period not exceeding six months-

(a) in the case of a Co-operative society only after consulting the circle co-operative union concerned; and
(b) in the case of an Apex Society or a Central Society only after consulting the State Co-operative Union.

A Division Bench of this Court in **Rajeevan T.V. and Others v. K.A. Sukumaran and Others – [2013 (3) KHC 46]** had considered the scope of Section 32 of the Act and held as under:

"**8.** Time and again, Courts have held that supersession of an elected managing committee/board is an exception and can be resorted to only in very exceptional circumstances and normally, an elected body shall be allowed to complete the term, for which it is elected. This position of law has been reiterated by the Supreme Court in State of M.P. v. Sanjay Nagayach and Ors. – [2013 KHC 4422]. Even prior to that, this Court had also in State of Kerala v. Board of Directors of Urukunnu Service Co-operative Bank – [2013 (2) KLT 74], had stated the same thing. It is also not a secret that in the co-operative scene in Kerala or even in India, there is excessive politicisation, resulting in the political party in power trying to overthrow the political rivals in power in a co-operative society on flimsy reasons by invoking Section 32 of the Act. It is in the said background that these cases have to be

considered.

xxxxxxxxxxxx xxxxxxxxxxxxxx

> We are not inclined to subscribe to the contention of the learned Government Pleader that the practicability mentioned in Section 32 (3) of the Act is not physical practicability, but, logical practicability, taking into account all the facts including the seriousness of the allegations raised against the members of the managing committee and the probable result of giving such an opportunity, granting them time, which has to be considered while deciding to dispense with the opportunity. We are of the opinion that the words "it is not reasonably practicable to do so", qualifies the opportunity to the committee to state its objections and nothing else. It is settled law that an exception in a Section of an enactment has to be construed strictly.
>
> **11.** In fact, in Urukunnu Service Co-operative Bank's case, this Court further held that it is mandatory on the part of the Joint Registrar to consult expert bodies like financing bank and circle co-operative union and for dispensing with the same, there must be very cogent and acceptable reasons and not just a single statement that an alarming situation is present. Here, along with the dispensing with the opportunity to the committee to state its objections, consultation with the financing bank and the circle cooperative union also has been dispensed with. The consultation has been held to be mandatory and serves a very important and vital purpose in the context of the action to supersede an elected managing committee of a Society. Therefore, when the dispensing with the opportunity to the committee to state its objections results in non-consultation with the financing bank and the circle cooperative union, that also is a reason to hold that dispensing with the opportunity to the committee to state its objections cannot be lightly resorted to."

7. On the facts of the instant cases, we find from a perusal of the Registrar's order that was impugned in the writ petitions that it relied on a report dated 16.07.2026 of the Joint Director (General), Directorate of Dairy Development under Section 66 of the Act and the recommendations made therein, to find that an order of supersession was warranted. On a perusal of the said report dated 16.07.2026, however, we find that it relies on material pertaining to the Pathanamthitta Dairy that was made available to the Inquiry Officer by the Managing Director. It is also apparent from a reading of the report that the Joint Director (General) had in fact accessed ample material from which he could draw inferences in support of the allegations against the appellants, and based on which he had made the recommendation for the supersession. Obviously, therefore, the appellants herein had co-operated fully

with the inquiry by offering access to material in their possession and custody to the Joint Director (General)/Inquiry Officer. This suggests that there was no question of the appellants tampering with or suppressing the said material from the authorities concerned so as to justify a recourse to the provisions of Section 32(3) of the Act, and that the exceptional circumstances warranting a recourse to the provisions of Section 32(3) did not exist in the instant cases. It is therefore our view that in the absence of exceptional circumstances warranting a departure from the fair procedure under Section 32(1) and (2) of the Act, the respondents ought not to have dispensed with the requirement of issuing a prior show cause notice and consulting the financing Bank or the Circle Co-operative Union concerned. An action of a statutory authority that is not supported by cogent reasons that show the basis of such action casts doubt on the *bona fides* of the authority concerned in taking such action. As was pointed out by the Supreme Court in **State of M.P. and Others v. Sanjay Nagayach and Others – [2013 KHC 4422]**, where the allegation was that the statutory authority was acting under dictation; "*The Registrar/Joint Registrar, while exercising powers of supersession has to form an opinion and that opinion must be based on some objective criteria, which has nexus with the final decision. A statutory authority shall not act with pre-conceived notion and shall not speak his masters' voice, because the formation of opinion must be his own, not somebody else in power, to achieve some ulterior motive. There may be situations where the Registrar/Joint Registrar are expected to act in the best interest of the society and its members, but in such situations, they have to act bona fide and within the four corners of the Statute. In our view, the impugned*

order will not fall in that category."

8. We also notice, in this connection, that the learned Single Judge did not have the benefit of perusing the report dated 16.07.2026 aforementioned since it was not produced by the writ petitioners along with the writ petitions. We, on the other hand, have had the benefit of perusing the same because it was produced as an additional document in the writ appeal as the appellants had received a copy of the report only pursuant to an RTI query raised by them. Since it is clear from a perusal of the report dated 16.07.2026 that the respondent authorities already had with them the material necessary to support the allegations eventually raised against the appellants, there was no justification for harbouring a presumption that the appellants would tamper with or destroy material that could be used against them in any legal proceedings leading to a supersession. On the other hand, the only material that could be used by the appellants from the files in their custody could have been material that they could rely upon to defend themselves against the proposed supersession, which material cannot, under any circumstances, be withheld from them. We are, therefore, of the view that the recourse to the exceptional provisions under Section 32(3) was not justified on the facts and circumstances of the instant cases.

9. We therefore allow these writ appeals by setting aside the impugned judgment of the learned Single Judge and hold that the order dated 25.07.2026 of the Director, Dairy Development Department impugned in the writ petitions,

shall stand set aside. We direct the said authority to comply with the procedure envisaged under Section 32(1) and (2) of the Act and pass orders thereafter after affording an opportunity of hearing to the appellants. We also make it clear that since we have set aside the impugned judgment as well as the order of the Director, Dairy Development Department impugned in the writ petitions, the appellants shall be reinstated forthwith as the Managing Committee members of the Society, replacing the Administrator that had been appointed in the Society pursuant to the order impugned in the writ petitions. We do so because unlike in a situation where the reinstatement is directed in the backdrop of an employer-employee relationship, when it comes to reinstating a democratically elected body such as the Managing Committee of a Co-operative Society, any factor that vitiates the order of supersession passed against them must operate to their advantage in securing an immediate reinstatement through restoration of the *status quo ante*.

The Writ Appeals are allowed as above.

Sd/-
DR. A.K.JAYASANKARAN NAMBIAR
JUDGE

Sd/-
PREETA A.K.
JUDGE

prp/

APPENDIX OF W.A.NO.1991 OF 2026

APPELLANTS ANNEXURES:

ANNEXURE A1	**TRUE COPY OF THE FACT FINDING REPORT PREPARED BY THE MANAGING DIRECTOR DATED NIL**
ANNEXURE A2	**TRUE COPY OF THE RELEVANT PAGES OF THE INQUIRY REPORT PREPARED BY THE JOINT DIRECTOR (GENERAL) DATED NIL**

RESPONDENTS ANNEXURES:

ANNEXURE R3(a)	**TRUE COPY OF THE REPORT DATED 01.01.2024 OF THE ADMINISTRATIVE COMMITTEE.**

//TRUE COPY//

P.S. TO JUDGE