IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE ANIL K.NARENDRAN

&

THE HONOURABLE MR.JUSTICE MURALEE KRISHNA S.

TUESDAY, THE 17TH DAY OF NOVEMBER 2026 / 26TH KARTHIKA, 1948

WA NO. 1385 OF 2026

AGAINST THE JUDGMENT DATED 03.07.2026 IN WP(C) NO.3275 OF 2026 OF HIGH COURT OF KERALA

APPELLANT/PETITIONER:

M P JACKSON, AGED 73 YEARS
S/O M C PAUL, MAMPILLY HOUSE, IRINJALAKUDA, THRISSUR DISTRICT, PIN - 680125

BY ADVS.
SRI.ARJUN RAGHAVAN
SHRI.T.R.HARIKUMAR
SMT.POOJA PANKAJ

RESPONDENTS/RESPONDENTS:

1 **THE RESERVE BANK OF INDIA**
REPRESENTED BY ITS EXECUTIVE DIRECTOR, CENTRAL OFFICE BUILDING, SHAHID BHAGAT SINGH ROAD, MUMBAI, PIN - 400001

2 **STATE OF KERALA**
REPRESENTED BY THE SECRETARY TO GOVERNMENT, CO-OPERATION (C) DEPARTMENT, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN - 695001

3 **THE REGISTRAR OF CO-OPERATIVE SOCIETIES**
JAWAHAR SAHAKARANA BHAVAN, DPI JUNCTION, THYCAUD P.O, THIRUVANANTHAPURAM, PIN - 695014

4 THE IRINJALAKUDA TOWN CO-OPERATIVE BANK REPRESENTED BY ITS MANAGING DIRECTOR, TANA SOUTH, IRINJALAKUDA, THRISSUR DISTRICT, KERALA, PIN - 680121

5 THE ADMINISTRATOR IRINJALAKUDA TOWN CO-OPERATIVE BANK, TANA SOUTH, IRINJALAKUDA, THRISSUR DISTRICT, KERALA STATE, PIN - 680121

BY ADVS.
SMT.SUMATHI DANDAPANI
SRI.MILLU DANDAPANI
SHRI.P.N.MOHANAN
SHRI.ARUN CHANDRAN, SPL.GP (CO-OPERATION)

THIS WRIT APPEAL WAS FINALLY HEARD ON 14.10.2026 ALONG WITH WA.1585/2026, THE COURT ON 17.11.2026 PASSED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE ANIL K.NARENDRAN

&

THE HONOURABLE MR.JUSTICE MURALEE KRISHNA S.

TUESDAY, THE 17TH DAY OF NOVEMBER 2026 / 26TH KARTHIKA, 1948

WA NO. 1585 OF 2026

AGAINST THE JUDGMENT DATED 03.07.2026 IN WP(C) NO.3275 OF 2026 OF HIGH COURT OF KERALA

APPELLANT/1ST RESPONDENT:

THE RESERVE BANK OF INDIA
REPRESENTED BY ITS EXECUTIVE DIRECTOR, CENTRAL OFFICE BUILDING, SHAHID BHAGAT SINGH ROAD, MUMBAI, PIN - 400001

BY ADVS
SMT.SUMATHI DANDAPANI
SRI.MILLU DANDAPANI

RESPONDENTS/WRIT PETITIONER AND RESPONDENTS 2 TO 5:

1. **M P JACKSON, AGED 73 YEARS**
   S/O M C PAUL, MAMPILLY HOUSE, IRINJALAKUDA, THRISSUR DISTRICT, PIN - 680125

2. **STATE OF KERALA**
   REPRESENTED BY THE SECRETARY TO GOVERNMENT, CO-OPERATION (C) DEPARTMENT, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN - 695001

3. **THE REGISTRAR OF CO-OPERATIVE SOCIETIES**
   JAWAHAR SAHAKARANA BHAVAN, DPI JUNCTION, THYCAUD P.O, THIRUVANANTHAPURAM, PIN - 695014

4 THE IRINJALAKUDA TOWN CO-OPERATIVE BANK REPRESENTED BY ITS MANAGING DIRECTOR, TANA SOUTH, IRINJALAKUDA, THRISSUR DISTRICT, KERALA, PIN - 680121

5 THE ADMINISTRATOR IRINJALAKUDA TOWN CO-OPERATIVE BANK, TANA SOUTH, IRINJALAKUDA, THRISSUR DISTRICT, KERALA STATE, PIN - 680121

BY ADVS.
SHRI.P.N.MOHANAN
SHRI.ARUN CHANDRAN, SPL.GP (CO-OPERATION)

THIS WRIT APPEAL WAS FINALLY HEARD ON 14.10.2026 ALONG WITH WA.1385/2026, THE COURT ON 17.11.2026 PASSED THE FOLLOWING:

"CR"

COMMON JUDGMENT

Muralee Krishna, J.

W.A.No.1385 of 2026 is filed by the petitioner and W.A.No.1585 of 2026 is filed by the 1st respondent in W.P.(C)No.3275 of 2026 under Section 5(i) of the Kerala High Court Act, 1958, challenging the judgment dated 03.07.2026 passed by the learned Single Judge in that writ petition. Since the points to be decided in these writ appeals are the same, they are heard together and are being disposed of by this common judgment. For convenience of reference, the parties and documents are referred to in this judgment as they were referred to in the writ petition, unless otherwise stated.

2. Going by the averments in the writ petition, the petitioner is the former President of the 4th respondent Urban Co-operative Bank. The definition of an Urban Co-operative Bank is provided under Section 2(ta) of the Kerala Co-operative Societies Act, 1969, wherein it is defined as a society registered under the Act having its area of operation in the urban areas and which

undertakes banking business with the licence obtained from the Reserve Bank of India. After finding that the functioning of the 4th respondent is not satisfactory, the 1st respondent, invoking its power under Section 35A of the Banking Regulation Act, 1949 (the 'Act' for short), issued a direction (AID-All Inclusive Direction) restricting the operations of the 4th respondent, vide Ext.P3 order dated 29.07.2025, which is to be in force from 30.07.2025 for a period of six months (till 30.01.2026). After the issuance of Ext.P3 order, a request was made before the 1st respondent seeking permission to sell the Non-Banking Assets (NBAs) as soon as possible, to which it was replied by the 1st respondent that Ext.P3 order do not prohibit the Bank to sell/auction any of its mortgaged properties. Actions were thereafter being initiated to sell of the mortgaged properties so as to improve the position of the 4th respondent bank. However, without any further notice, the 1st respondent issued an order of supersession removing the Board of Directors and appointing an administrator invoking powers under Section 36AAA read with Section 56 of the Banking Regulation Act, 1949, vide Ext.P5 order dated 07.10.2025.

Therefore, the petitioner filed the writ petition under Article 226 of the Constitution of India, seeking the following reliefs;

> "i) to issue a writ of certiorari, or order, or direction, or any other appropriate writ, calling for the records leading to the issuance of Exhibit-P5 and quash the same;
> ii) to declare that principles of natural justice are to be read into the provisions of Section 36AAA read with Section 56 of the Banking Regulation Act, 1949;
> iii) to issue a writ of mandamus directing 1st respondent the restoration of the elected managing committee forthwith."

2.1. The 1st respondent filed a counter affidavit dated 27.02.2026 in the writ petition, opposing the reliefs sought for and producing therewith Exts.R1(a) to R1(c) documents. To the counter affidavit filed by the 1st respondent, the petitioner filed a reply affidavit dated 10.03.2026. Again, the 1st respondent filed an additional counter affidavit dated 29.05.2026 to the reply affidavit filed by the petitioner.

2.2. After hearing both sides, the learned Single Judge, by the impugned judgment, dismissed the writ petition, repelling the challenge against Ext.P5 order, and at the same time, directed that if the 1st respondent wants to continue Ext.P5 order after

06.10.2026, the same shall be done only in consultation with respondent No.2.

2.3. In the impugned judgment, the learned Single Judge considered the following questions:

> "1. Whether an opportunity of hearing is to be given before passing an Order of supersession under Section 36AAA of the Banking Regulation Act?
> 2. Whether consultation with the Registrar of Co-operative Societies is sufficient compliance for consultation with the State Government as mandated under the Proviso to Section 36AAA(1) of the Banking Regulation Act?
> 3. Is it permissible for the Respondent No.1 to supersede the Managing Committee elected by the General Body of the Respondent No.4 without recourse to the provisions under the Kerala Co-operative Societies Act and the Rules made thereunder?"

2.4. As far as question No.1 is concerned, by referring to the judgment of the Bombay High Court in **Sandeep S. Ghandat v. Reserve Bank of India [2024 SCC Online Bom 3584]**, the learned Single Judge found that the managing committee of respondent No.4, including the petitioner are not entitled to get an opportunity of personal hearing before passing Ext.P5 order

and therefore that question is answered in negative and in favour of respondent No.1. As far as question No.2 is concerned, by referring to proviso to Section 36AAA(1) of the Act and the judgments of the Apex Court in **Babu Verghese and Others v. Bar Council of Kerala [(1999) 3 SCC 422]**, **OPTO Circuit India Limited v. Axis Bank and Others [(2021) 6 SCC 707],** and **State of Madhya Pradesh and Others v. Sanjay Nagayach [(2013) 7 SCC 25]** the learned Single Judge found that when proviso to Section 36AAA(1) of the Act provides for mandatory consultation with the State Government, any order passed without such consultation is to be held unsustainable. Therefore, that question is answered in the negative and in favour of the petitioner. As far as the third question is concerned, the learned Single Judge found that when there is a clear provision as Section 36AAA of the Act, providing for supersession of the Board of Directors of the Co-operative Banks, the Co-operative Bank cannot claim any immunity from the proceedings initiated under the Banking Regulation Act on the ground that it has been working under a democratic setup provided under the Kerala Co-operative

Societies Act. Therefore, the third question is answered by the learned Single Judge in the affirmative and in favour of the 1st respondent. Though question No.2 was answered by the learned Single Judge in favour of the petitioner, the learned Single Judge refused to set aside Ext.P5 order by giving certain reasons in paragraph 22 of the judgment, which reads thus;

> "22.In view of the answer to Question No.2, in normal case, the Petitioner is entitled to succeed in this Writ Petition. But Ext.P5 order is dated 07.10.2025 and the same has been implemented by the Administrator taking charge of the management of the Respondent No.4 immediately. The Petitioner, who was the President of the Respondent No.4, has chosen to file this Writ Petition only on 27.01.2026. The Petitioner could not secure any interim order in his favour. Even after the filing of the Writ Petition, the Administrator appointed by the Respondent No.1 continued the management of the Respondent No.4. Now the Administrator appointed by Respondent No.1 has been conducting the management of the Respondent No.4 for the last nearly nine months. The Administrator is appointed for a period of one year which would expire on 06.10.2026. Hence, I am of the view that it is not in the public interest and in the interest of the Depositors and the Respondent No.4, to set aside Ext.P5 order at this distance of time. It is

> not desirable to restore the Managing Committee back to the management of Respondent No.4 at present. Hence, I am not inclined to exercise my discretion under Article 226 of the Constitution of India in favour of the Petitioner".

2.5. Being aggrieved by the aforesaid conclusion arrived at by the learned Single Judge, even after finding that Ext.P5 order was passed without consultation with the State Government as provided under the proviso to Section 36AAA(1) of the Act, the petitioner filed W.A.No.1385 of 2026, contending that the learned Single Judge ought to have set aside Ext.P5 order and granted the reliefs sought in the writ petition. At the same time, being aggrieved by the finding of the learned Single Judge that it was mandatory to have consultation with the State Government before issuing Ext.P5 order, the 1st respondent filed W.A.No.1585 of 2026.

3. On 28.09.2026, we heard Sri.Arjun Raghavan, the learned counsel for the appellant-writ petitioner in W.A.No.1385 of 2026, Smt.Sumathi Dandapani, the learned Senior Counsel for the appellant - 1st respondent in W.A.No.1585 of 2026 and Sri.Arun Chandran, the learned Special Government Pleader for the State, and reserved the appeals for judgment.

4. The learned counsel for the writ petitioner submitted that after finding that Ext.P5 order dated 07.10.2025 was issued by the 1st respondent without conducting mandatory consultation with the 2nd respondent, the learned Single Judge ought to have set aside the said order. Entry 45 of List-I (Union List) of the Constitution of India provides for Banking, and Entry 32 of List-II (State List) provides for the incorporation, regulation and winding up of cooperative societies. Therefore, the regulation and management of a Uni-State Co-operative Bank was never within the domain of the 1st respondent. The State Government mentioned under the proviso to Section 36AAA of the Act could only mean the Secretary to the concerned Government Department. Therefore, the consultation claimed as made by the 1st respondent with the Registrar of Co-operative Societies cannot be accepted as compliance with the proviso to Section 36AAA(1) of the Act. The learned counsel further submitted that when a statute prescribes a thing to be done in a particular manner, it can be done in that manner alone. The 1st respondent cannot have its own interpretation of the consultation mentioned in the proviso to

Section 36AAA(1) of the Act. It is further argued by the learned counsel for the petitioner that the learned Single Judge ought to have set aside Ext.P5 on the ground of violation of principles of natural justice. In support of his argument, the learned counsel relied on various judgments of the Apex Court, which we will consider in the later part of this judgment.

5. The learned Senior Counsel appearing for the 1st respondent (appellant in W.A.No.1585 of 2026) argued that, though the proviso to Section 36AAA(1) of the Act, after the amendment to Section 56 of the Banking Regulation Act, 1949, which was inserted with effect from 01.04.2021, provides for consultation with the State Government for superseding the Board of Directors of the Cooperative Bank mentioned in that Section, the Act is not specific as to who represents the State Government for the said consultation. The 1st respondent issued Ext.R1(b) letter dated 08.08.2025 to the Registrar of Cooperative Societies requesting his comments under the proviso to sub-section (1) of Section 36AAA of the Act read with Section 56 of the Act, which was replied to as per Ext.R1(c) letter dated 14.08.2025 by the

Registrar of Cooperative Societies. In that reply, it is not mentioned that the consultation stated in the proviso to sub-section (1) of Section 36AAA of the Act is not with the Registrar of Cooperative Societies. Under Section 3 of the Kerala Co-operative Societies Act, 1969, the State Government has appointed the Registrar of Cooperative Societies as the administrative head and vested with all powers relating to registration, management, and dissolution of Cooperative Societies. Therefore, the consultation with the Registrar of Cooperative Societies is effective consultation with the State Government, he being the agent for this specific purpose. The learned Senior Counsel further argued that the statutory interpretation of purposive law dictates that a law should be interpreted in a way that achieves its intended purpose. Under Section 56(zg) of the Banking Regulation Act, by way of amendment, it was clarified that the reference made in Section 49-B of the Act to the Central Government, for the purpose of change of name, shall be construed as a reference to the Central Registrar or Registrar of Cooperative Societies under the law under

which the Cooperative Bank is registered. Applying the same principles, the reference to State Government shall be construed as a reference to the Registrar of Cooperative Societies of the concerned State. The Registrar of Cooperative Societies under Section 32 of the Kerala Cooperative Societies Act has the power of supersession of the committee of the Cooperative Society after an inquiry done by himself. Similarly, in the case of Cooperative Banks under Section 74A of the Kerala Cooperative Societies Act, on requisition made by the 1st respondent, the Registrar is mandated to issue an order of supersession of a Cooperative Bank and appoint an Administrator for the period specified by the 1st respondent. Therefore, carrying out consultation with the State Government is a futile exercise when a competent authority to take appropriate action in the case of Cooperative Societies and Cooperative Banks is the Registrar. If the exercise, as directed by the learned Single Judge, is not completed within 06.10.2026, there will be a vacuum in the interregnum period between 06.10.2026 and the completion of the process directed in the impugned judgment.

6. The learned Special Government Pleader submitted that as per Sections 2(p) and 3 of the Kerala Cooperative Societies Act, 1969, the Registrar is an officer appointed by the Government. The powers of the Registrar therefore cannot be equated with those of the Government. As per Section 83(1)(j) of the Kerala Co-operative Societies Act, 1969, against the order made by the Registrar, an appeal will lie to the Government. The learned Special Government Pleader further pointed out Section 101 of the Kerala Co-operative Societies Act, 1969, whereby the power to exempt any society or any class of societies from the provisions of the said Act was given to the Government. Therefore, according to the learned Special Government Pleader, the consultation mentioned in the proviso to sub-section (1) of Section 36AAA of the Act shall be with the Government and not with the Registrar of the Cooperative Societies.

7. After the appeals were reserved for judgment, on 09.10.2026, the appellant in W.A.No.1585 of 2026 filed a memo dated 08.10.2026, producing therewith a copy of the order dated 06.10.2026 issued under Section 36AAA of the Banking Regulation

Act, extending the supersession for a further period of one year with effect from 07.10.2026. The said memo reads thus;

> "1. It is humbly submitted that the above writ appeal was filed being aggrieved by the impugned Judgment of the Learned Single Judge wherein it was held that the process of consultation as laid out in proviso to Section 36AAA of the BR Act has to be done with the Secretary of the State Government and that the consultation with the Registrar of Co-operative Societies cannot be equated to consultation with the State Government for the purpose of statutory compliance of the Section 36AAA and the further direction that any renewal or extension of the supersession and appointment of Administrator in future with respect to the 4th respondent bank shall be after conducting consultation with the State Government.
>
> 2. The term of supersession and the period of appointment of the administrator was expiring on 06.10.2026. Though the above writ appeal was heard and reserved for Judgment by this Hon'ble Court no interlocutory orders were passed staying the operation of the impugned judgment. Under such circumstances, a vacuum with respect to the administration of the Bank would arise upon expiry of Ext.P7 order and therefore the appellant has taken steps in compliance with the Judgment of the Learned Single Judge in the impugned Judgment since the same still vogue as no orders of stay was passed by this Hon'ble Court. Accordingly

consultation was carried out with the State Government vide communication bearing no. CO.DOS.DSD.No.S4907/ 10-01-011/2026-2027 dated 30.09.2026 seeking the comments, if any, as per proviso to Section 36AAA.

3. As the State Government did not submit any reply as comments to the consultation, the appellant on exercising the powers under Section 36AAA has passed an order of Supersession extending the period of supersession for a further period of one year with effect from 07.10.2026. A copy of the order of supersession dated 06.10.2026 bearing no.TVM.DOS.SED.No.WS479/12-04-158/2026-2027 is produced herewith for the perusal of this Hon'ble Court along with this memo."

8. In view of the filing of the above extracted memo by the appellant in W.A.No.1585 of 2026, the appeals were posted as 'to be spoken to' on 14.10.2026 and we heard the learned Senior Counsel/Counsel appearing for the appellants and the learned Special Government Pleader.

9. We have perused the pleadings and materials on record and appreciated the rival submissions made at the Bar. As far as the question whether an opportunity of hearing is to be given before passing an order of supersession under Section 36AAA of the Act is concerned, there is no dispute between the parties on

the finding of the learned Single Judge in the impugned judgment based on the judgment of the Bombay High Court in **Sandeep S. Ghandat [2024 SCC Online Bom 3584]** and that of the Apex Court in **Sandeep S. Ghandat [2026 SCC Online SC 1755],** that the managing committee of the 4th respondent including the petitioner are not entitled to get an opportunity of the personal hearing before passing Ext.P5 order.

10. From the pleadings in these writ appeals and from the arguments addressed at the Bar, the points to be considered in these writ appeals are, (i) Whether the learned Single Judge erred in holding that there is no statutory consultation with the State Government before Ext.P5 order as provided under the proviso to sub-section (1) of Section 36AAA of the Banking Regulation Act and Ext.R1(b) consultation with the Registrar of Cooperative Societies cannot be equated with the consultation with the Government mentioned in the Act?, (2) Whether the learned Single Judge went wrong in dismissing the writ petition after finding that Ext.P5 order was issued without the statutory compliance of consultation with the State Government?

11. As far as the first point is concerned, it is appropriate to extract the relevant portions of Section 36AAA of the Banking Regulation Act, which reads thus;

> "36-AAA. Supersession of Board of directors of a multi-State co-operative bank. - (1) Where the Reserve Bank is satisfied that in the public interest or for preventing the affairs of a multi-State co-operative bank being conducted in a manner detrimental to the interest of the depositors or of the multi-State co-operative bank or for securing the proper management of the multi-State co-operative bank, it is necessary so to do, the Reserve Bank may, for reasons to be recorded in writing, by order, supersede the Board of directors of such multi-State co-operative bank for a period not exceeding five years as may be specified in the order, which may be extended from time to time, so, however, that total period shall not exceed five years.
>
> Provided that in the case of a co-operative bank registered with the Registrar of Co-operative Societies of a State, the Reserve Bank shall issue such order in consultation with the concerned State Government, seeking its comments, if any, within such period as the Reserve Bank may specify."

12. The reading of the aforesaid portion of Section 36AAA(1) of the Banking Regulation Act, as extracted above, makes it clear that an order of supersession of a Cooperative Bank

can be made by the 1st respondent only after consultation with the concerned State Government. Then the point to be answered is whether the consultation mentioned in the proviso to sub-section (1) of Section 36AAA of the Act can be said to be complied with by the consultation made by the 1st respondent with the Registrar of Cooperative Societies by issuing Ext.R1(b) letter dated 08.08.2025. It is relevant to note at this juncture some of the judgments of the Apex Court pertaining to interpretation of the words used in a statute.

13. In **Rohitash Kumar v. Om Prakash Sharma [(2013) 11 SCC 451]**, the Apex Court, in the appeals preferred against the judgment and order passed by the High Court of Jammu and Kashmir in SWP No.1393 of 1999 and judgment and order in LPA No.275 of 2002 on the issue of challenge raised against the seniority list among the Assistant Commandants in the Border Security Force, held thus;

> *"Addition and subtraction of words*
>
> 27. The court has to keep in mind the fact that, while interpreting the provisions of a statute, it can neither add, nor subtract even a single word. The legal maxim "*A verbis*

legis non est recedendum" means, "from the words of law, there must be no departure". A section is to be interpreted by reading all of its parts together, and it is not permissible to omit any part thereof. The court cannot proceed with the assumption that the legislature, while enacting the statute has committed a mistake; it must proceed on the footing that the legislature intended what it has said; even if there is some defect in the phraseology used by it in framing the statute, and it is not open to the court to *add and amend*, or by construction, make up for the deficiencies, which have been left in the Act. The Court can only iron out the creases but while doing so, it must not alter the fabric, of which an Act is woven. The Court, while interpreting statutory provisions, *cannot add words* to a statute, or *read words into* it which are not part of it, especially when a literal reading of the same produces an intelligible result. (Vide Nalinakhya Bysack v. Shyam Sunder Haldar [(1953) 1 SCC 167 : AIR 1953 SC 148], Sri Ram Ram Narain Medhi v. State of Bombay [AIR 1959 SC 459], M. Pentiah v. Muddala Veeramallappa [AIR 1961 SC 1107], Balasinor Nagrik Coop. Bank Ltd. v. Babubhai Shankerlal Pandya [(1987) 1 SCC 606 : AIR 1987 SC 849] and Dadi Jagannadham v. Jammulu Ramulu [(2001) 7 SCC 71] , SCC pp. 78-79, para 13.)

28. The statute is not to be construed in light of certain notions that the legislature might have had in mind, or what the legislature is expected to have said, or what the legislature might have done, or what the duty of the

> legislature to have said or done was. The courts have to administer the law as they find it, and it is not permissible for the court to twist the clear language of the enactment in order to avoid any real or imaginary hardship which such literal interpretation may cause.
>
> 29. In view of the above it becomes crystal clear that under the garb of interpreting the provision, the court does not have the power to add or subtract even a single word, as it would not amount to interpretation, but legislation."
>
> (underline supplied)

14. In **Sanjay Nagayach [(2013) 7 SCC 25],** while considering the legality of an order passed by the Joint Registrar of the Cooperative Societies, Sagar Division, Sagar, Madhya Pradesh, superseding the Board of Directors of District Cooperative Central Bank Ltd., Panna without previous consultation with Reserve Bank of India, as provided under the second proviso to Section 53(1) of the Madhya Pradesh Cooperative Societies Act, 1960, the Apex Court held thus;

> "23. The mere serving a copy of the show-cause notice on RBI with supporting documents is not what is contemplated under the second proviso to Section 53(1). For a meaningful

and effective consultation, the copy of the reply filed by the Bank to the various charges and allegations levelled against them should also be made available to RBI as well as the action proposed by the Joint Registrar, after examining the reply submitted by the Bank. On the other hand, RBI should be told of the action the Joint Registrar is intending to take. Only then, there will be an effective consultation and the views expressed by RBI will be a relevant material for deciding whether the elected Board be superseded or not. In other words, the previous consultation is a condition precedent before the forming of an opinion by the Joint Registrar to supersede the Board of Directors or not.

24. This Court in *Indian Administrative Service (S.C.S.) Assn.* v. *Union of India* [1993 Supp (1) SCC 730 : 1993 SCC (L&S) 252 : (1993) 23 ATC 788], has laid down six propositions while examining the meaning of the expression "consultation". We may add one more proposition that when the outcome of the proposed action is to oust a democratically elected body and the expression used is "shall not be passed without previous consultation", it is to be construed as mandatory. Reference may also be made to the judgments of this Court in *RBI* v. *Peerless General Finance and Investment Co. Ltd.* [(1987) 1 SCC 424 : (1987) 2 SCR 1] , *State of J&K* v. *A.R. Zakki* [1992 Supp (1) SCC 548 : 1992 SCC (L&S) 427 : (1992) 20 ATC 285] , *Gauhati High Court* v. *Kuladhar Phukan* [(2002) 4 SCC 524 : 2002 SCC (L&S) 555] , *Andhra Bank* v. *Andhra Bank*

Officers [(2008) 7 SCC 203 : (2008) 2 SCC (L&S) 403]".

(underline supplied)

15. In **Babu Verghese [(1999) 3 SCC 422]**, in a special leave to appeal filed against the judgment of this Court holding that the term of the Kerala Bar Council will be treated as having been extended by the Bar Council of India before the expiry of its original term, the Apex Court held thus;

> "31. It is the basic principle of law long settled that <u>if the manner of doing a particular act is prescribed under any statute, the act must be done in that manner or not at all.</u> The origin of this rule is traceable to the decision in *Taylor* v. *Taylor* [(1875) 1 Ch D 426 : 45 LJCh 373] which was followed by Lord Roche in *Nazir Ahmad* v. *King Emperor* [(1936) 63 IA 372 : AIR 1936 PC 253] who stated as under:
>
> > "Where a power is given to do a certain thing in a certain way, the thing must be done in that way or not at all."
>
> 32. This rule has since been approved by this Court in *Rao Shiv Bahadur Singh* v. *State of V.P.* [AIR 1954 SC 322 : 1954 SCR 1098] and again in *Deep Chand* v. *State of Rajasthan* [AIR 1961 SC 1527 : (1962) 1 SCR 662] . These cases were considered by a three-Judge Bench of this Court in *State of U.P.* v. *Singhara Singh* [AIR 1964 SC 358 : (1964) 1 SCWR 57] and the rule laid down in *Nazir Ahmad case* [(1936) 63 IA 372 : AIR 1936 PC 253] was again upheld.

This rule has since been applied to the exercise of jurisdiction by courts and has also been recognised as a salutary principle of administrative law".

(underline supplied)

16. In **OPTO Circuit India Ltd [(2021) 6 SCC 707]**, the Apex Court, while considering the issue of freezing of bank account of the appellant therein, held thus;

"14. This Court has time and again emphasised that <u>if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner alone and in no other manner.</u> Among others, in a matter relating to the presentation of an election petition, as per the procedure prescribed under the Patna High Court Rules, this Court had an occasion to consider the Rules to find out as to what would be a valid presentation of an election petition in *Chandra Kishore Jha* v. *Mahavir Prasad* [*Chandra Kishore Jha* v. *Mahavir Prasad*, [(1999) 8 SCC 266] and in the course of consideration observed as hereunder : (SCC p. 273, para 17)

"*17*. … It is a well-settled salutary principle that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner."

Therefore, if the salutary principle is kept in perspective, in the instant case, though the authorised officer is vested with sufficient power; such power is circumscribed by a procedure laid down under the statute. As such the power is to be

exercised in that manner alone, failing which it would fall foul of the requirement of complying with due process under law. We have found fault with the authorised officer and declared the action bad only insofar as not following the legal requirement before and after freezing the account. This shall not be construed as an opinion expressed on the merit of the allegation or any other aspect relating to the matter and the action initiated against the appellant and its Directors which is a matter to be taken note of in appropriate proceedings if at all any issue is raised by the aggrieved party".

(underline supplied)

17. In **Anurag Kumar Singh v. State of Uttarakhand [(2016) 9 SCC 426]**, in the appeals filed against the judgment of the High Court of Uttarakhand at Nainital by which a direction was issued to restrict the selection of Assistant Prosecuting Officers only to the number of posts that were advertised, the Apex Court held thus;

"16. Judicial discretion can be exercised by a court only when there are two or more possible lawful solutions. In any event, courts cannot give any direction contrary to the statute or rules made thereunder in exercise of judicial discretion. It will be useful to reproduce from *Judicial Discretion* (1989) by Aharon Barak which is as follows:

"Discretion assumes the freedom to choose among

> several lawful alternatives. Therefore, discretion does not exist when there is but one lawful option. In this situation, the Judge is required to select that option and has no freedom of choice. No discretion is involved in the choice between a lawful act and an unlawful act. The Judge must choose the lawful act, and he is precluded from choosing the unlawful act. Discretion, on the other hand, assumes the lack of an obligation to choose one particular possibility among several."
>
> (underline supplied)

18. It is true that in Ext.R1(c) reply, the Registrar of Cooperative Societies did not mention as to with whom the 1st respondent has to consult as provided under the proviso to sub-section (1) of Section 36AAA of the Act. But from the perusal of Ext.R1(c) reply, it can be seen that it was specifically stated in that reply that in the light of the statutory framework in the Act, the permission of the concerned Registrar of Cooperative Societies is not a legal requirement for the 1st respondent to proceed with the supersession of the Board of Directors of the Co-operative Bank concerned. One cannot expect that when a letter is addressed to the Registrar of Co-operative Societies, seeking his comments, which he is not legally obliged to give, has to reply to that letter

clarifying as to who is the authority for giving the comments mentioned in the statute. It is the duty of the 1st respondent to act in accordance with the provisions of the statutory framework, and the 1st respondent cannot put the blame upon the Registrar of Cooperative Societies for not enlightening the 1st respondent as to the proper person to be consulted, in Ext.R1(c) reply. The principles stated in the aforementioned judgments would make it clear that when a statute prescribes a particular act to be done in a particular manner, the same has to be done in that manner alone and a convenient meaning cannot be given to the same. Merely for the reason that under Section 56(zg) of the Banking Regulation Act, the reference to Central Government was directed to be construed as Central Registrar or Registrar of Cooperative Societies, the same meaning cannot be pressed into service as far as Section 36AAA of the Act is concerned, for the simple reason that if that was the intention of the law makers, there was no difficulty to carry out those amendments to Section 36AAA also. Therefore, we find no illegality in the finding of the learned Single Judge that the consultation with the State Government mentioned

in the proviso to sub-section (1) of Section 36AAA of the Act is not the consultation with the Registrar of Cooperative Societies. The method of appointment of the Registrar of a Co-operative Society defined under Section 2(p), as provided under Section 3 of the Kerala Cooperative Societies Act,1969, the power given to the Registrar under Section 32 of the said Act, and the appeal provisions under Section 83 of the said Act also fortify the contention of the petitioner as well as the Government that unless the Registrar of Cooperative Societies is specifically appointed by the Government to have consultation in the matter of supersession of the Cooperative Bank, such an interpretation is not possible.

19. Now the only point remaining is whether the direction given by the learned Single Judge to continue the order of supersession till the period mentioned in Ext.P5 order is violative of natural justice and any interference is needed on the same? In **Chairman-cum-Managing Director, Coal India Ltd v. Ananta Saha [(2011) 5 SCC 142]**, the Apex Court, in an appeal, preferred against the judgment and order passed by the Calcutta High Court wherein the issue was pertaining to the punishment

order of dismissal from service as well as the disciplinary proceedings against the 1st respondent therein, held thus;

> "32. It is a settled legal proposition that if initial action is not in consonance with law, subsequent proceedings would not sanctify the same. In such a fact situation, the legal maxim *sublato fundamento cadit opus* is applicable, meaning thereby, in case a foundation is removed, the superstructure falls.
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> 33. In *Badrinath* v. *Govt. of T.N.* [(2000) 8 SCC 395 : 2001 SCC (L&S) 13 : AIR 2000 SC 3243] this Court observed that once the basis of a proceeding is gone, all consequential acts, actions, orders would fall to the ground automatically and this principle of consequential order which is applicable to judicial and quasi-judicial proceedings is equally applicable to administrative orders. (See also *State of Kerala* v. *Puthenkavu N.S.S. Karayogam* [(2001) 10 SCC 191] and *Kalabharati Advertising* v. *Hemant Vimalnath Narichania* [(2010) 9 SCC 437 : (2010) 3 SCC (Civ) 808 : AIR 2010 SC 3745] .)" (underline supplied)

20. The principle stated in the above-mentioned judgment of the Apex Court is that once the basis of a proceeding is gone, all consequential acts, actions and orders would fall to ground automatically. But in the instant case, as noticed by the learned Single Judge, the Administrator had taken charge consequent to

Ext.P5 order dated 07.10.2025 immediately. But the writ petition was filed only on 27.01.2026. Even after filing the writ petition, no interim order was secured by the petitioner, and the impugned judgment was pronounced on 03.07.2026. Several acts would have been done by the Administrator during this period, which cannot be reversed or, in other words, the things cannot be reverted to the stage of appointment of the Administrator. At this distance of time, on the principle of equity and public interest, the learned Single Judge was right in not exercising the discretion under Article 226 of the Constitution of India to unsettle the settled matters. Moreover, the learned Single Judge rightly directed that if the 1st respondent wanted to continue Ext.P5 order after 06.10.2026, the same shall be done only in consultation with the 2nd respondent. We find no illegality or impropriety in the aforesaid finding of the learned Single Judge. Though the appellant in W.A.No.1585 of 2026 has now issued an order dated 06.10.2026 extending the period of supersession for a further period of one year with effect from 07.10.2026, it will have no independent legs to stand, since admittedly, the consultation with

the State Government, as found above, was not completed, though the appellant vide communication dated 30.09.2026 sought comments of the State Government.

In the result, the writ appeals stand dismissed. However, since the period of the Administrator appointed by virtue of Ext.P5 order expired on 06.10.2026, and the present extension order dated 6.10.2026 was also issued without completing the consultation with the State Government as mandated under Section 36AAA of the Act, there will be a vacuum till the completion of the consultation with the State Government for extending Ext.P5 order as directed in the impugned judgment, we deem it appropriate to direct maintenance of status quo for a period of one month from the date of this judgment, and we order accordingly.

Sd/-

ANIL K.NARENDRAN, JUDGE

Sd/-

sks **MURALEE KRISHNA S., JUDGE**

APPENDIX OF WA NO. 1385 OF 2026

RESPONDENT ANNEXURES

ANNEXURE R4(a)	**true copy of the e key business figures of the fourth respondent bank**
ANNEXURE R4(b)	**true copy of the Central Act No.39/2020 dated 29.09.2020**
ANNEXURE R4(c)	**true copy of the amended Act.No.9/2024 dated 07.06.2024**

APPENDIX OF WA NO. 1585 OF 2026

RESPONDENT ANNEXURES

Annexure R4 (a)	**The key business figures of the bank**
Annexure R4 (b)	**true copy of the Central Act No.39/2020 dated 29.09.2020**
Annexure R4 (c)	**true copy of the amended Act.No.9/2024 dated 07.06.2024**