



IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.21935 of 2025

**Committee of
Management Odagaon
Pacs Ltd., Nayagarh**

....

Petitioner

Mr. A. Satpathy, Advocate

-versus-

State of Odisha & Ors.

....

Opposite Parties

Mr. C.K. Pradhan, AGA

**CORAM:
JUSTICE BIRAJA PRASANNA SATAPATHY**

**ORDER
21.08.2025**

Order No.

- 04.** 1. This matter is taken up through Hybrid Arrangement (Virtual/Physical) Mode.
2. Heard learned counsel appearing for the Parties.
3. Petitioner has filed the present Writ Petition *inter alia* with the following prayer:-

“It is, therefore, humbly prayed that this Hon'ble Court may graciously be pleased to admit this writ petition, and be further pleased to;

A) To quash and set aside the impugned supersession order dt. 01.08.2025 passed by Deputy Registrar of Co-operative Societies, Nayagarh Division, Nayagarh under Annexure-1.

B) To Direct the Opp. party No. 3, to recall its impugned order and reinstate/restore the services of the democratically elected Petitioner committee.

C) Pass such other order/orders as this Hon'ble Court may deem fit and proper shall not be passed;



And for this act of kindness the petitioners as in duty bound shall ever pray.”

4. It is contended that while continuing with the Management of Odagaon PACS, a show cause was issued to the Petitioner Committee of Management by the DRCS, Nayagarh Division-Opposite Party No.3 on 11.12.2024 under Annexure-2.

4.1. Even though Petitioner submitted a detailed reply to the show cause issued under Annexure-3, but vide order dtd.24.01.2025 under Annexure-4, the Committee of Management was placed under suspension in terms of the provisions contained under Section-32(7) of the Odisha Co-operative Societies Act, 1962 (in short ‘Act’).

4.2. It is contended that as provided under Sub-Section-7 of Section-32 of the Act, such an order of suspension shall remain in force for a period not exceeding six months. Section-32(7) of the Act reads as follows:-

“32(7)- Notwithstanding anything contained in this Section, if, in the opinion of the Registrar, the Committee of any Society is acting in a manner prejudicial to the interest of the Society or its members, or has committed such serious irregularities or illegality that further continuance of the Committee would be detrimental to the interest of the Society, the Registrar may, at any time before or, as the case may be, after issue of a notice under Sub-Section (1). suspend the Committee [for a period not, exceeding one year in case of society carrying on business of banking and in case of other society for a period not exceeding six months] and make such arrangements as he thinks proper for the management of the affairs of the Society during the period of suspension of the Committee: Provided that if the Committee so suspended is reinstated the period of suspension shall count towards”.



4.3. It is accordingly contended that in view of the provision contained under Section 32(7) of the Act, the order of suspension passed against the Committee on 24.01.2025 lapsed w.e.f. 23.07.2025. But thereafter instead of permitting the Committee of Management to discharge its duty and without following the provisions contained under Section-32(1) of the Act, the Committee was superseded vide the impugned order dtd.01.08.2025 under Annexure-1.

4.4. It is contended that since prior to such supersession of the Committee of Management vide order dtd.01.08.2025 under Annexure-1 provisions contained under Section-32(1) of the Act has not been followed, the said order of supersession is a nullity in the eye of law and requires interference of this Court. Section-32(1) of the Act reads as follows:-

“32(1)- if in the opinion of the Registrar, the committee of any society,

(i) Is in persistent default; or

(ii) Is in negligence in the performance of its duties imposed on it by this act, rules or bye laws, or

(iii) Has committed any act prejudicial to the interest of the society or its members; or

(v) is stalemate in its consultation or functions, the Registrar may after giving the committee a reasonable opportunity of being heard within twenty one days from the date of issue of the notice in that behalf and after consulting, in case of a State co-operative bank or Central Co-operative bank, the Reserve Bank of India and in case of any other society, Financing bank of such society, by order in writing stating reasons therefor, supersede the committee for a period not exceeding one year in case of



society carrying on the business of banking and in case of other society for a period of not exceeding six months from the date of such order and appoint an "Administrator" on such terms and conditions as maybe prescribed to manage the affairs of the society who can take all or any policy decision including admission of members in relation to the society: Provided that the committee of any such society no shall not be superseded or kept under suspension under sub section (7) where there is government shareholding or loan or financial assistance or any guarantee by the Government: Provided further that in case of a society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply".

4.5. It is also contended that this Court while directing the State Counsel to obtain instruction stayed the operation of order dtd.01.08.2025.

5. Basing on the instruction, learned AGA contended that after considering the reply to the show cause issued under Annexure-2, the Committee of the Management was placed under suspension vide order dtd.24.01.2025. Taking into account the nature of show cause issued under Annexure-2 there was no requirement, to issue any further show-cause prior to superseding the Committee of the Management vide order under Annexure-1.

5.1. It is accordingly contended that taking into account the nature of show cause issued on 11.12.2024 under Annexure-2, basing on which the Committee was initially placed under suspension vide order dtd.24.01.2025 under Annexure-4, no further show cause was required to be issued prior to supersede of the Committee of the Management and the ground taken in the show cause



was taken as the grounds to supersede the Committee of Management.

5.2. It is accordingly contended that no illegality or irregularity can be found with the impugned order of supersession so passed by Opposite Party No.3 under Annexure-1.

6. Having heard learned counsel appearing for the Parties and considering the submissions made, this Court finds that the Committee of the Management of Odagaon PACS while continuing as such a show cause was issued by the DRCS, Nayagarh Division - Opposite Party No.3 on 11.12.2024 under Annexure-2. On the face of the reply made by the Petitioner Committee of Management on 01.01.2025 under Annexure-3, the Committee of the Managing was placed under suspension vide order dtd.24.01.2025 of Opposite Party No.3 in exercise of the power conferred under Section-32(7) of the Act under Annexure-4.

6.1. Thereafter, the impugned order was passed on 01.08.2025 under Annexure-1, wherein the Committee of the Management was superseded.

6.2. This Court after going through the provisions contained under Section-32 (7) of the Act finds that a Committee of Management can be placed under suspension for a period not exceeding six months. The Committee of Management, placed under suspension vide



order dtd.24.01.2025, the said order of supersession stands lapsed w.e.f. 23.07.2025.

6.3. In view of such lapse of the order of suspension, the Committee of Management could not have been superseded vide order dtd.01.08.2025 under Annexure-1 without following the provisions of Section-32(1) of the Act. It is the view of this Court that prior to taking such extreme step in superseding the Committee of Management vide order dtd.01.08.2025 provisions contained under Section-32(1) of the Act should have been followed.

6.4. Since it is not disputed by the learned Addl. Government Advocate that no such show-cause was ever issued prior to superseding the Committee of Management, this Court is inclined to quash order dtd.01.08.2025 so issued by Opposite Party No.3 under Annexure-1. While quashing the same, this Court disposes of the Writ Petition. It is however open for Opposite Party No.3 to take appropriate action in accordance with law in which this Court expresses no opinion.

6. Accordingly, the Writ Petition stands disposed of.

Signature Not Verified

Digitally Signed
Signed by: SUBRAT KUMAR BARIK
Reason: Authentication
Location: HIGH COURT OF ORISSA, CUTTACK
Date: 08-Sep-2025 18:39:56



Subrat

(Biraja Prasanna Satapathy)
Judge