

32. Supersession of committee.- ^{40f}[(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)willfully disobeys or fails to comply with any lawful order or direction issued under this Act or the rules; or

©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 willful negligence; or

^{40d}[(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: ^{40b}[xxx];]

^{40c}[Provided that in the case of co-operative society, carrying on the business of banking the provisions of the Banking Regulations 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Provided also that the board of a co-operative society shall not be superseded or kept under suspension where there is no Government Share holding or loan or financial assistance or any guarantee by the Government or any Board or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.]

^{40a}[**Explanation I.**- For the purposes of this proviso, financial assistance 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.]

^{40d}[⁴⁰**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 member 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.]]

^{40d}[(e)Every member of the committee superseded under this section shall from the date of order of such supersession and 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.

(4)The committee or administrator or administrators so appointed shall, subject to the control of the Registrar and to such instructions as he may from time to time give, ^{40g}[have power to exercise all or any of the powers and functions] of the committee or of any officer of the society and take all such action as may be required in the interests of the society.

(5)The committee or administrator or administrators shall, before the expiry of its or his or their term of office, arrange for the constitution of a new committee in accordance with the bye-laws of the society.

(6)Every order made by the Registrar under sub-section (1) shall be communicated to the circle co-operative union.

40 renumbered as 'Explanation II' & 40a inserted by [Act 14 of 2017](#)

40b omitted & 40C inserted by [Act 8 of 2013](#)

40d substituted & 40e added by [Act 7 of 2010](#)

40f , 40g substituted by [Act 1 of 2000](#)