IN THE COURT OF APPEAL OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Court of Appeal Case No.
CA (PHC) 12/2022

High Court of Matara Case No.
SP/MT/HC/WRIT/280/2017

The Appeal under Article 138 read with Article 154 (P)(6) of the Constitution against the Judgment dated 29.07.2021 of the Provincial High Court of Southern Province (Holden at Matara) Case No. SP/MT/HC/WRIT/280/2017.

Pathma Ranasinghe,
Gedara Watte,
Hunnadeniya
Kottagoda

Petitioner

Vs.

1. Commissioner of Cooperative Development/Registrar,
Department of Cooperative Development,
Southern Province,
147/3, Pettigalawatta, Galle.

2. Assistant Commissioner of Cooperative Development,
Assistant Commissioner's Office of the Cooperative Development,
Maddewatta, Matara.

3. Bambarenda - South Thrift and Credit Cooperative Society Limited,
Hunnadeniya,
Kottagoda.

4. Secretary,
Bambarenda - South Thrift and Credit Cooperative Society Limited,
Hunnadeniya,
Kottegoda.

Respondents

AND NOW BETWEEN

Pathma Ranasinghe,

Gedara Watte,
Hunnadeniya
Kottagoda

Petitioner-Appellant

Vs.

1. Commissioner of Cooperative Development/Registrar,
Department of Cooperative Development,
Southern Province,
147/3, Pettigalawatta, Galle.

2. Assistant Commissioner of Cooperative Development,
Assistant Commissioner's Office of the Cooperative Development,
Maddewatta, Matara.

3. Bambarenda - South Thrift and Credit Cooperative Society Limited,
Hunnadeniya,
Kottegoda.

4. Secretary,
Bambarenda - South Thrift and Credit Cooperative Society Limited,
Hunnadeniya,
Kottagoda.

Respondent - Respondents

Before: Damith Thotawatte, J.

K.M.S. Dissanayake, J.

Counsels: Chandana Wijesooriya with U. Wijesuriya instructed by Pankaja Weerasekara for the Petitioner - Appellant.

Rohan Sahabandu, P.C. with Elvitigala for the 3rd & 4th Respondents.

Navinda Pathirage, S.C. for the 1st & 2nd Respondents.

Argued:	03.02.2026
Written submissions tendered on:	24.09.2025 by 1st & 2nd Respondent - Respondents.
	09.05.2025 by Petitioner – Appellant.
	03.04.2025 by 3rd & 4th Respondent - Respondents.
Judgment Delivered:	05.06.2026

Thotawatte, J.

Introduction

The present appeal has been preferred by Petitioner-Appellant, Pathma Ranasinghe (hereinafter sometimes referred to as the "Appellant") against the Judgment dated 29.07.2021 delivered by the learned Judge of the Provincial High Court of the Southern Province holden at Matara in Case No. SP/MT/HC/WRIT/280/2017, whereby the learned Judge dismissed the Appellant's application for writ relief against the Respondents-Respondents (hereinafter sometimes referred to collectively as the "Respondents" and where necessary, individually as the 1st, 2nd, 3rd and 4th Respondents) in its entirety.

The Appellant now seeks to have the said Judgment set aside and prays, *inter alia*, for an order setting aside the impugned Judgment; for a writ of certiorari quashing the administrative decisions of the Respondents communicated by letters dated 18.04.2017, 06.06.2017 and 29.06.2017; for a writ of mandamus directing the 1st Respondent to proceed to recover only the principal amount of Rs. 366,437.23.

Factual Background

The material facts giving rise to the present appeal may be briefly stated as follows.

The Appellant served as the Manager of the 3rd Respondent, the Bambarenda-South Thrift and Credit Co-operative Society Limited (hereinafter sometimes referred to as the "Society"), for a period of approximately 18 years. During the course of her employment, it came to the notice of the Society that a sum of Rs. 1,308,021.90 was unaccounted for. This dispute was referred to arbitration under Section 58 of the Co-operative Societies Law, No. 5 of 1972 (hereinafter sometimes referred to as the "Law").

By award dated 12.09.2010, the Arbitrator directed the Appellant to pay a sum of Rs. 366,437.23 to the 3rd Respondent Society and further directed that interest at the rate

of 20% per annum would continue to accrue on the principal sum until such time as full payment was made.

Being dissatisfied with the said award, the Appellant exercised her statutory right of appeal under Section 58(3) of the Law and preferred an appeal to the 1st Respondent. The appeal remained pending before the 1st Respondent for a period of approximately six years. By order dated 14.10.2016, the 1st Respondent dismissed the appeal and affirmed the arbitral award.

By letter dated 24.03.2017, the Appellant informed the Chairman of the 3rd Respondent Society that she was willing to pay the principal sum of Rs. 366,437.23 as specified in the arbitral award.

In response, the Chairman of the 3rd Respondent Society and the 4th Respondent, by letter dated 18.04.2017, had demanded that the Appellant pay the following sums:

Principal amount as at 12.09.2010	:	Rs. 366,437.23
Interest from 12.09.2010 to 31.03.2017	:	Rs. 466,786.00
Total	:	Rs. 833,223.23
Less: Settlement amount	:	Rs. 10,091.00
Full amount payable	:	Rs. 823,132.23

The Appellant contested this demand by letter dated 25.05.2017, contending that it was unjust to impose interest for the entire period during which the appeal was pending before the 1st Respondent, particularly in circumstances where the 1st Respondent had taken approximately six years to dispose of the appeal. The 3rd Respondent by the letter dated 29.05.2017 had informed the Appellant that the society does not have the authority to amend the decision of the Commissioner of Cooperative Development.

Following a further representation by the Appellant seeking identical relief, the Appellant had been informed by the 2nd Respondent, by letter dated 06.06.2017, that there existed no statutory provision permitting the waiver of the interest component and that, having been found to have engaged in financial fraud, the amount remained recoverable. The Appellant had further been informed that failure to make payment would necessitate recovery proceedings under Section 59 of the Law. The said position had thereafter been reiterated by the 1st Respondent in his subsequent letter dated 29.06.2017.

Thereafter, the 1st Respondent had invoked the provisions of Section 59(1)(c) of the Law by filing a Certificate in the Magistrate's Court of Matara bearing Case No. 80535, seeking recovery of the sum of Rs. 823,132.23.

Procedural History

On 24.11.2017, the Appellant instituted proceedings before the Provincial High Court of the Southern Province holden at Matara by way of a writ application bearing Case No. SP/MT/HC/WRIT/280/2017 against the Respondents.

The Appellant's application before the High Court sought, *inter alia*, writs of certiorari to quash the letters dated 18.04.2017, 06.06.2017 and 29.06.2017; a writ of prohibition prohibiting steps being taken by the Respondents pursuant to those letters; a writ of mandamus directing the 1st Respondent to take recovery action only in respect of the principal sum of Rs. 366,437.23; and stay orders suspending the proceedings before the Magistrate's Court.

By Judgment dated 29.07.2021, the learned High Court Judge dismissed the Appellant's application, finding that there was insufficient material to warrant the issuance of writ relief against the Respondents. The learned High Court Judge found, *inter alia*, that the impugned letters were not administrative decisions but mere communications; that the computation of interest for the period of the appeal was not contrary to Section 59(1) of the Law; and that the actions of the Respondents in initiating recovery under Section 59 constituted ministerial acts not amenable to writ jurisdiction.

Being aggrieved by the said Judgment, the Appellant has preferred the present appeal.

Grounds of Appeal

The Appellant has *inter alia* pleaded the following grounds

a) The learned High Court Judge erred in law in holding that the Appellant was a "defaulter" within the meaning of Section 59(1) of the Act and in permitting the invocation of the enforcement mechanism contained therein,

b) The learned High Court Judge has erred in law in failing to hold that the arbitral award remained unenforceable pending the determination of the statutory appeal.

c) The learned High Court Judge has erred in law in failing to hold that the inclusion of interest accrued during the pendency of the appeal exceeded the powers conferred by Section 59(1)(c).

d) The learned High Court Judge erred in law in failing to recognize the principles of natural justice and the right of the Appellant to challenge the Certificate before the Magistrate’s Court.

e) The learned High Court Judge erred in law in upholding the recovery of a sum grossly disproportionate to the original award.

Reliefs Sought

The reliefs sought by the Appellant before this Court may be summarized as follows:

i. An order setting aside the Judgment of the learned High Court Judge dated 29.07.2021;

ii. To grant all such relief sought by the petition submitted to the Provincial High Court (which include, writ of certiorari quashing the administrative decisions communicated by the Respondents, specifically the letters marked P6 (dated 18.04.2017), P10 (dated 06.06.2017), P11 (dated 28.06.2017), and P12 (dated 29.06.2017) and the Certificate filed in the Magistrate's Court and writ of mandamus directing the 1st Respondent to seek recovery of only the principal sum of Rs. 366,437.23 from the Appellant.

Analysis

It is a matter of importance to note that the Petitioner-Appellant had not sought to quash either the arbitral award delivered on 12.09.2010 (marked as P2) or the Commissioner's (1st Respondent's) appellate order delivered on 14.10.2016 (marked as P4).

What the Petitioner had sought to quash were the subsequent documents, specifically the letters P6, P10, P11 and P12 which she had characterized as unlawful demands for interest calculated over the six-year appeal pendency period. Her core grievance had been that the 20% interest ought not to have been applied during the period the appeal had remained pending before the 1st Respondent, and that the Section 59 certificate filed in the Magistrate's Court bearing Case No. 80535 had been defective in that it had included unlawfully calculated interest.

This distinction had proven central to the Respondents' counter-argument, namely, that since the Appellant had admitted liability under the arbitral award delivered on 12.09.2010, she had been estopped from selectively challenging the interest component, which they had argued flowed inseparably from that same award.

Can the Appellant be considered a "defaulter" within the meaning of Section 59(1) of the Co-operative Societies Law

It appears from the paragraph 01 (XIV) of the Petition of Appeal dated 24.09.2021 that the Appellant proceeds on the footing that the filing of an appeal against the arbitral award operates as an automatic suspension of the award, and that, consequently, the obligation imposed by the award to pay interest at the rate of 20% per annum on the

principal sum until the entirety of that amount is paid, also ceased to operate during the period in which the appeal remained pending.

In addition, in the written submissions of the Appellant, it is stated that the Petitioner cannot be lawfully treated as a "defaulter" under Section 59 of the Cooperative Societies Law No. 05 of 1972, given her duly filed appeal, and that the learned High Court Judge fundamentally erred by failing to consider that the Petitioner could not legally be deemed a "defaulter" under Section 59 while her appeal remained pending adjudication.

As submitted these contentions appear to be somewhat garbled and difficult to reconcile with the statutory scheme and further appears to proceed upon a total misapprehension of the applicable legal principles. These grounds of appeal, when examined in substance, advance a common contention, namely that the learned High Court Judge had erred in law in permitting recourse to the enforcement mechanism contained in Section 59(1) of the Co-operative Societies Law, No. 5 of 1972, notwithstanding the Appellant's assertion that proceedings instituted under Section 58(3) remained pending.

This contention cannot be sustained. Section 59(1) contemplates the issuance of a certificate of recovery only upon the attainment of finality under the statutory dispute-resolution framework. The provision authorizes the Registrar to designate a party as a defaulter and to initiate recovery proceedings where there exists either a final decision of the Registrar under Section 58 or an award from which no appeal has been duly preferred. The evident legislative intention is that the coercive recovery mechanism becomes operative only after the rights and liabilities of the parties have been conclusively determined.

In the present case, the 1st Respondent had issued the impugned certificate only after delivering his appellate decision dated 14.10.2016, whereby the appeal preferred by the Appellant was dismissed and the arbitral award was affirmed. That determination constituted a final decision within the meaning of Section 59(1) and brought the proceedings contemplated by Section 58 to their conclusion. Accordingly, all statutory preconditions necessary for the invocation of Section 59(1) had been satisfied, and the designation of the Appellant as a defaulter, together with the consequential issuance of the certificate, cannot be impugned as being unlawful or ultra vires.

Whether the Appellant is liable for interest during the pendency of the statutory appeal

This issue constitutes the core substantive controversy in the present appeal. The question is whether the Appellant, having duly preferred a statutory appeal under

Section 58(3) of the Law, remains liable for interest at 20% that accrued on the principal sum during the entire period of six years during which the appeal remained pending before the 1st Respondent.

Section 59(1) of the Law provides, insofar as material, is as follows:

> "Where a decision of the Registrar on a dispute or an appeal referred or made to him under section 58 ... or an award of an arbitrator on a dispute referred to him under that section, from which award no appeal has been duly made to the Registrar under that section ... is that a sum of money is due from one party to the dispute to another party to the dispute, and such sum together with costs and interest, if any, has not been paid, the Registrar may in respect of the party from whom such sum is due, hereafter in this section called the 'defaulter' — "

A plain reading of Section 59(1) indicates that its recovery mechanism is engaged in two distinct circumstances: first, where the Registrar has made a decision on an appeal under Section 58; and second, where an arbitral award has been made "from which award no appeal has been duly made to the Registrar." In the present case, the Appellant did prefer a statutory appeal which was subsequently dismissed and the arbitral award was affirmed. The 1st Respondent's order of 14.10.2016 constitutes the "decision" within the meaning of Section 59(1), and it is that decision and not merely the unappealed award, that attracts the operation of Section 59.

The arbitral award expressly provided for continuing interest at 20% per annum until full payment. The 1st Respondent's appellate order, which affirmed the award, necessarily also affirmed the interest obligation contained therein. The Appellant's argument that the interest should not have run during the appellate period would, if accepted, require this Court to read into the statute a provision that Parliament has not enacted.

That said, this Court notes with concern the inordinate delay of approximately six years in the determination of the Appellant's statutory appeal. The Appellant was entitled, under the statute, to have her appeal disposed of within a reasonable time. An administrative body that takes six years to resolve a statutory appeal and then seeks to recover interest that accrued during that entire period raises a serious question of administrative fairness.

However, it must be observed that the Respondents' contend, and the 3rd and 4th Respondents specifically pointed out in their written submissions, that the delay was at least partly attributable to the Appellant's own conduct in taking out multiple dates during the pendency of the appeal. Without the benefit of the appeal record itself, this Court is unable to make a definitive finding on the apportionment of responsibility for

the delay. What is clear, however, is that this is precisely the kind of dispute, relating to the computation and quantification of recoverable amounts flowing from an award, that is not readily amenable to resolution in writ proceedings.

With respect to the contention that the 1st Respondent acted in excess of statutory powers by including interest in the Certificate, this Court observes that the arbitral award itself expressly provided for interest at 20% per annum until payment. The 1st Respondent's appellate order affirmed the award in its entirety. The 1st Respondent, in filing a Certificate that included the interest component as part of the sum recoverable pursuant to a decision affirming the award, cannot, on the facts disclosed, be said to have acted in excess of the powers conferred upon him by Sections 58 and 59 of the Law. The interest was not imposed by the Respondents independently of the award; it flowed directly from and was authorized by the terms of the award itself.

For the foregoing reasons, this Court finds that the Appellant has not established that the 1st Respondent acted in excess of his statutory powers in including the interest component in the Certificate filed under Section 59(1)(c) of the Law.

Whether the impugned letters constitute reviewable administrative decisions

It is well settled that the writ of certiorari is available only to quash a decision, determination, or order made by a public authority in the exercise of a statutory or public function where such authority has acted without or in excess of jurisdiction, committed an error of law apparent on the face of the record, or failed to comply with the principles of natural justice. The impugned act must constitute a definitive exercise of decision-making power and must be judicial, quasi-judicial, or otherwise adjudicative in character.

The letters that the Appellant seeks to impugn, being letters dated 18.04.2017, 06.06.2017 and 29.06.2017, were communications addressed to the Appellant informing her of the amounts payable pursuant to the arbitral award dated 12.09.2010 and the appellate order dated 14.10.2016. A careful examination of those letters reveals that they do not purport to make any fresh determination of the Appellant's rights or liabilities. The liability in question was conclusively determined by the arbitral award and thereafter affirmed by the 1st Respondent upon dismissal of the appeal. The subsequent letters neither created nor altered any rights, obligations, or liabilities, but merely conveyed the amount recoverable in consequence of those antecedent determinations.

Accordingly, this Court is of the view that the impugned letters are not, in law, independent administrative decisions capable of being quashed by certiorari. They are

communications that flow from and give effect to the arbitral award and the appellate determination, neither of which was itself challenged before the High Court or before this Court. On this ground alone, the grant of a writ of certiorari would be futile, since quashing the letters would not disturb the underlying award or the appellate order from which the liability is derived.

Whether the filing of the certificate constitute ministerial acts

A ministerial act is one performed without the exercise of any independent judgment or adjudicative function. Where the relevant facts have already been established and the statute directs the consequence that must follow, the authority performs no decision-making function but merely gives effect to the statutory scheme. Since the writ of certiorari lies to quash decisions made in the exercise of judicial or quasi-judicial power, it will not ordinarily lie against a purely ministerial act.

In the present case, this Court finds considerable force in the contention advanced by the Respondents. Section 59(1) becomes operative where a decision or award has been made and the amount due thereunder, together with any costs and interest, remains unpaid. The provision empowers the Registrar to take steps for the recovery of such amount and affords the Registrar a measure of discretion both as to whether to invoke the recovery procedure and, if so, as to the mode of recovery to be adopted under paragraphs (a), (b) or (c) thereof. However, once the Registrar elects to proceed under Section 59(1)(c), the subsequent issuance and filing of the Certificate do not involve any further adjudication or determination of rights, liabilities, or disputed facts, those matters having already been determined by the award and the appellate process affirming it. The filing of the Certificate is therefore merely the implementation of those existing determinations.

Accordingly, the act of filing the Certificate under Section 59(1)(c) is ministerial in character, being no more than a step taken to give effect to the arbitral award and the appellate determination. In such circumstances, the writ of certiorari does not lie to quash that act.

Whether the Appellant was entitled to a writ of mandamus

The Appellant sought a writ of mandamus directing the 1st Respondent to seek recovery of only the principal sum of Rs. 366,437.23 and to exclude the interest component.

It is well established that mandamus lies to compel a public authority to perform a public legal duty where there is a corresponding legal right in the applicant and where

no other adequate remedy is available. The function of mandamus is to restore a party to the enjoyment of a right that has been wrongfully denied; it is not designed to create a new right or to redirect a public authority to exercise its statutory function in a particular manner where the law does not so require.

This Court has already found that the 1st Respondent acted within the scope of his statutory powers in including the interest component in the Certificate. No public law illegality has therefore been established so as to justify relief by way of mandamus. Further, the Appellant has failed to establish a clear legal right to demand the exclusion of the interest component, which formed part of the arbitral award and remains binding in the absence of any successful challenge thereto. Accordingly, the requirements for the issuance of a writ of mandamus are not satisfied.

Conclusion

For aforesaid reasons, and having considered the entirety of the material placed before this Court, this Court is of the view that the learned High Court Judge was correct in dismissing the Appellant's writ application. This Court is unable to identify any error of law, misdirection, or other basis warranting appellate intervention. Accordingly, this Court finds no reason to disturb the Judgment dated 29.07.2021 delivered by the learned Judge of the Provincial High Court of the Southern Province holden at Matara in Case No. SP/MT/HC/WRIT/280/2017.

Accordingly, the appeal is dismissed with costs fixed at Rs. 50,000/- to be paid by the Appellant.

Judge of the Court of Appeal

K.M.S. Dissanayake, J.

I agree

Judge of the Court of Appeal