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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CWP-29063-2018
Date of decision: 14.09.2022**

**THE LUDHIANA INTERNATIONAL CO-OPERATIVE HOUSE
BUILDING SOCIETY LTD. & OTHERS**

...Petitioners

VERSUS

STATE OF PUNJAB AND OTHERS

...Respondents

CORAM: HON'BLE MS. JUSTICE JAISHREE THAKUR

Present:- Mr. D. V. Sharma, Senior Advocate with
Ms. Sunder Kumari, Advocate
for the petitioners.

Mr. Mohit Kapoor, Addl. A. G., Punjab.

Mr. Harjot Singh Bedi, Advocate
for respondent No.4.

JAISHREE THAKUR, J. (Oral)

This is a petition that has been filed seeking issuance of a writ of certiorari for quashing order dated 01.10.2018 (Annexure P-1) passed by Registrar, Cooperative Societies Punjab, Chandigarh, whereby order dated 06.03.2018 converting the petitioner-Society as a Society under the Punjab Self Supporting Cooperative Societies Act, 2006, has been cancelled and the registration of the petitioner-Society under the Punjab Cooperative Societies Act, 1961 has been revived.

In brief, the facts are that the petitioner No.1-Society had initially been registered as a cooperative society vide registration No.1657

dated 13.02.1985 under the Punjab Cooperative Societies Act, 1961. Thereafter, a special resolution was passed seeking to convert the said Society to a Self Supporting Cooperative Society under the Punjab Self Supporting Cooperative Societies Act, 2006. Necessary permission had been accorded by the Assistant Registrar, Cooperative Societies, Ludhiana (West) as would be evident from fresh registration certificate Annexure P-4 issued on 12.04.2018. By alleging that an inquiry was initiated into the workings of the petitioner-Society and based on the inquiry that was held, the impugned order came to be passed converting the said Society registered under the Punjab Self Supporting Cooperative Societies Act, 2006 Act back to a Society being governed under the Punjab Cooperative Societies Act, 1961.

Learned Senior Advocate appearing for the petitioners herein would contend that the impugned order has been passed without giving any due opportunity of hearing to the petitioner-Society and its members, who had duly passed a resolution seeking conversion of the Society from the one registered under the Punjab Cooperative Societies Act, 1961 to one under the Punjab Self Supporting Cooperative Societies Act, 2006. It is argued that the rules of natural justice insofar as granting a fair opportunity of hearing is concerned, have not been followed. It is also submitted that no power of review lies with the Registrar.

Learned State counsel would submit that the petitioner-Society was given due opportunity of hearing in the inquiry that was conducted regarding the functioning of the Society and, therefore, based on the inquiry report, the impugned order was rightly passed.

Learned counsel for respondent No.4 would also support the stand as taken by learned State counsel and submit that the Society came to be converted only on account of one Ajmail Singh, who in fact was interested in controlling the funds of the Society and appropriate action has been taken against him, who is otherwise an employee of respondent No.4.

I have heard learned counsel for the parties and have also perused the pleadings of the case.

Without going into the merits of the case or taking into consideration any argument regarding the alleged possible mismanagement of the funds of the petitioner No.1-Society, this Court is of the opinion that in case any adverse orders are to be passed, the rules of natural justice would impose the onerous condition of adequate hearing being given to the person/members/society/entity against whom any such order is to be passed, which is not being done in the instant case. Merely because some inquiry took place in which certain members were heard, would not constitute fair opportunity of hearing to the Society that stood converted as Self Supporting Cooperative Society under Punjab Self Cooperative Societies Act, 2006 by following the procedure as laid down.

Consequently, the instant writ petition is allowed and the impugned order dated 01.10.2018 is hereby set aside leaving it open to the authorities concerned to pass fresh orders after following the rules of natural justice and calling upon the petitioner-Society/members of the Society to be heard before passing any such orders. Since the impugned order is being set aside, the Society through its duly authorized representative or its members shall put in an appearance before the Registrar, Cooperative Societies,

Punjab, Chandigarh on 27.09.2022 at 3:00 P.M. In case, the Registrar, Cooperative Societies, Punjab, Chandigarh proposes to issue any show cause notice, the same be served upon the said representative/members giving ample opportunity to file reply to it and then to take a decision thereon. Let the entire exercise be completed expeditiously preferably within a period of three months from the date of receipt of the certified copy of this order, in accordance with law.

14.09.2022
Chetan Thakur

(JAISHREE THAKUR)
JUDGE

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No