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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.03.2025

CORAM :

THE HONOURABLE **MR.JUSTICE N.ANAND VENKATESH**

Writ Petition No.32537 of 2022
and WMP No.31940 of 2022

Ezhil Nagar Welfare Association
Rep.by its President
No.1, Manali Salai
Korukkuppet
Chennai 600 021.

.... Petitioner

-Vs-

1.The Inspector General of Registration
O/o.The Inspector General of Registration
No.100, Santhome High Road
Chennai 600 028.

2.The North Chennai District Registrar (Administration)
Kuralagam Buildings
Chennai 600 108.

3.E.Jegan

4.E.Gopi

5.Mariyappan

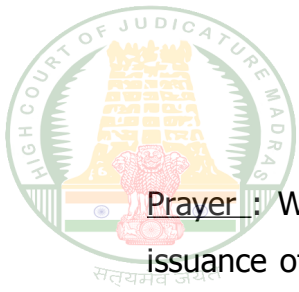
6.Y.Amalraj

7.Kamaraj

8.Siva Murugesan

.. Respondents

**(R4 to R8 are impleaded as per Order dated 04.01.2025
in WMP.10069/2023 in WP.32537/2022 by ASMJ)**



Prayer : Writ Petition under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari calling for the records relating to the proceedings of the 1st respondent in Lr.No.23763/11/2019, dated 17.8.2022 confirming the order of the 2nd respondent in Lr.No.8543/E/2017, dated 06.05.2019 and quash the same.

For Petitioner : Mr.L.Chandrakumar

For Respondents : Mr.P.Harish
Government Advocate for R1 & R2

No appearance for R3

No appearance for R4 to R8

ORDER

This writ petition has been filed challenging the impugned proceedings of the 1st respondent dated 17.08.2022, confirming the order passed by the 2nd respondent through proceedings dated 06.05.2019, wherein the respondents had cancelled the registration of the Society called as Ezhil Nagar Welfare Association on the ground that the affairs of the registered Society were conducted in a manner which goes the very purpose of formation of the Society.

2.Heard Mr.L.Chandrakumar, learned counsel for the petitioner and Mr.P.Harish, learned Government Advocate for R1 & R2.

3.The case of the petitioner Association is that the Association was registered in the year 1978 and was allotted registration No.236 of 1978. The members of the



Society were in possession and enjoyment of certain lands. They were taking steps to build houses in the lands and for that purpose, they were in need of patta. It is alleged that money was collected from each member on the promise that they will get the patta and ultimately, the entire amount was misappropriated. The same resulted in the registration of an FIR in Crime No.18 of 2015, before the Central Crime Branch, Chennai. On coming to know of the same, enquiry was conducted under Section 36(1) of the Tamil Nadu Societies Registration Act, 1975 [hereinafter referred to as 'the Act']. Notice was issued to the Executive Committee members and they gave their reply. After enquiry, a show cause notice was issued on 05.03.2009 to show cause as to why the registration should not be cancelled. Since there was no reply, the 2nd respondent through proceedings dated 06.05.2019, cancelled the registration of the petitioner Society.

4. Aggrieved by the same, the petitioner filed an appeal before the 1st respondent. The 1st respondent through proceedings dated 17.08.2022, confirmed the order passed by the 2nd respondent. The same has been put to challenge in the present writ petition.

5. The 2nd respondent has filed a counter affidavit. The 2nd respondent has taken a stand that there was large scale misappropriation of money from the members of the Society and the Society was not running in a proper manner. On



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enquiry, it came to light that the Society was not maintaining the records for the period from 1978 - 2015 and that apart the money that was collected from the members on the promise of getting a patta, was also misappropriated. Therefore, it was decided to cancel the registration of the Society. Accordingly, the 1st and 2nd respondents have justified the cancellation of the registration of the petitioner Society and sought for the dismissal of this writ petition.

6.The 3rd respondent has filed a counter affidavit. The 3rd respondent has taken a stand that the entire allegation was made as against one Vethakkan who had collected the money from the members in the guise of getting a patta. It is under those circumstances, the complaint was given which resulted in the cancellation of the registration of the Association. Ultimately, the said Vethakkan expired on 13.08.2023. The 3rd respondent has taken a specific stand that there was no complaint as against any of the other office bearers and that it confined itself to only Vethakkan. Hence, the 3rd respondent has sought for the revival of the Association.

7.This Court has carefully considered the submissions made on either side and the materials available on record. On carefully going through the enquiry that was conducted by the 2nd respondent, it is seen that the statement that was recorded from each and every member from whom the money was collected, is directed against the above said Vethakkan. Thus, the said Vethakkan seems to have collected huge



amount of money from the members with a false promise and that he will obtain the patta for the members in order to enable them to put up a construction.

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8. Section 36 of the Act gives the power to the Registrar to enquire into the affairs of the Society. Such enquiry should be conducted in a summary manner. While conducting such enquiry, the Registrar must see if the Society is working in a proper manner and it is being run to serve the objects of the Society. The cancellation of the Registration of a Society is a power that has been conferred under Section 37 of the Act. The said provision itself provides the contingencies where such power can be exercised. According to the 2nd respondent, there was serious misappropriation of funds that had taken place which went against the interest of the members of the Society. That apart, certain records which are supposed to be maintained by the Society was also not properly maintained for the period from 1978 - 2015 and what was available was records from the year 2016. When the show cause notice was issued, the office bearers did not even appear for the enquiry and therefore the 2nd respondent came to a conclusion that the Society is being conducted in a fraudulent manner.

9. It must be borne in mind that the formation of a Society is done for the welfare of the members who form such a Society. A group of persons come together and decide to form a Society and amongst them, some are elected as executive



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members in order to carry out the functions of the Society. In the case in hand, unfortunately, Mr.Vethakkan who was the President of the Society had misled the members and collected money from them in the guise that he will get the patta. He has misappropriated and swindled the amount. As a result, many members were cheated. There was no complaint as against any of the other office bearers. Therefore, the question is as to whether the registration of the very Society itself must be cancelled. This question assumes greater significance since the said Vethakkan is now died and gone and the members want to revive the Society. No useful purpose will be served in continuing with the present status and it will not in any way benefit the members of the Society. Ultimately, the members will have to work together towards the objective for which the Society was created. Now they are willing to move in the said direction and hence this Court is of the considered view that the Society can be revived. This is more so since the person against whom the allegation was made has expired during the pendency of this writ petition.

10.In the result, the impugned proceedings of the 1st respondent dated 17.08.2022 Confirming the order passed by the 2nd respondent by proceedings dated 06.05.2019, is hereby quashed and there shall be a direction to the 2nd respondent to issue appropriate proceedings by restoring the registration of the petitioner Association. This process shall be completed by the 2nd respondent within a period of four weeks from the date of receipt of copy of the order.



11. In the result, this writ petition is allowed the above directions. No costs.

Consequently, connected miscellaneous petition is closed.

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Index : Yes/No

NCS : Yes/No

KP

To

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N.ANAND VENKATESH, J.

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