



W.A.No.73 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.02.2025

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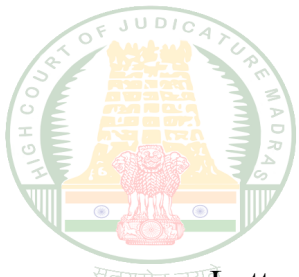
THE HON'BLE MR. JUSTICE S.M.SUBRAMANIAM
AND
THE HON'BLE MR.JUSTICE K.RAJASEKAR

W.A.No.73 of 2025

Dr.K.Rajeshkumar .. Appellant

v.

1. The Registrar of Cooperative Societies (Housing)
Tamil Nadu Cooperative Housing Federation
Having office at 2nd Floor
No.48, Ritherdon Road, Vepery
Chennai 600 007
2. The Deputy Registrar of Cooperative Societies (Housing)
Chennai Region
Having office at T.Nagar
Chennai 600 017
3. Madras Secretariat Cooperative Building Society Ltd.
Rep.by its President
Having registered office at 144, 3rd Street
Secretariat Colony, Kilpauk
Chennai 600 010
4. S.Amulraj .. Respondents



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Memorandum of Grounds of Writ Appeal filed under Clause 15 of the Letters Patent against the order dated 18.10.2024 passed in W.P.No.12416 of 2024.

For Appellant :: Mr.P.V.Balasubramanian
Senior Counsel for
Mr.S.Shujath Hussain

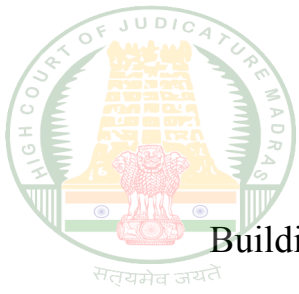
For Respondents :: Mr.M.Sureshkumar
Additional Advocate General
assisted by Mr.M.Rajendiran
Additional Government Pleader
for R1 to R3
Mr.V.Karthikeyan for
Mr.S.Sivasubramani for R4

JUDGMENT

(Judgment of the Court was made by S.M.SUBRAMANIAM,J.)

The intra-Court appeal on hand has been directed against the writ order dated 18.10.2024 passed in W.P.No.12416 of 2024.

2. The writ petitioner is the appellant before this Court. The writ petition was instituted challenging the order passed by the Deputy Registrar of Cooperative Societies (Housing) and the order of the Registrar of Cooperative Societies. The third respondent-Madras Secretariat Cooperative



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Building Society Limited (hereinafter referred to as “the Society”) was assigned the land comprised in R.S.No.3180/1 situated at Purusawalkam, Chennai by the Revenue Department, Government of Tamil Nadu in G.O.Ms.No.2874, Revenue dated 20.07.1956 for the purpose of allotment of house sites to its members. Out of the total extent of land, the Society, by a resolution dated 12.01.2010, allotted the land comprised in Shop No.19, R.S.No.180/1, Block No.55 situated at Secretariat Colony, Kellys, Chennai admeasuring 900 sq.ft., in favour of the appellant. Admittedly, it is a commercial area. Pursuant to the resolution passed by the Society on 12.01.2010, a rental agreement was entered into between the Society and the writ appellant on 01.10.2010. Accordingly, a monthly rent of rupees one thousand was fixed. The property rented out is a vacant land. One of the conditions stipulates that the lessee shall not sublease either whole or any portion of the property to anyone without the prior consent and permission of the Society in writing.

3. The learned Senior Counsel appearing on behalf of the appellant would submit that a resolution was passed by the Society subsequently



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granting permission to the writ appellant to construct shops at his own cost.

Accordingly, the appellant constructed shops and leased out to other third parties.

4. Admittedly, the rental lease agreement was not extended beyond eleven months. The rental agreement expired in the year 2011 itself. No action was taken by the Society for a long time. Both the writ appellant and the sub-lessees continued to be in occupation unauthorisedly without any lease agreement from the Society. The writ appellant collected rents from the sub-lessees who have been in occupation of the shops.

5. The Society initiated action, since the rental agreement expired. That action was questioned by the appellant before the Deputy Registrar of Cooperative Societies (Housing), who in turn conducted an enquiry by affording opportunity to the parties and passed final orders in proceeding dated 07.10.2022 rejecting the claim of the appellant. Challenging the said order, the appellant filed a revision under Section 153 of the Tamil Nadu Cooperative Societies Act, which was also dismissed by the Registrar of



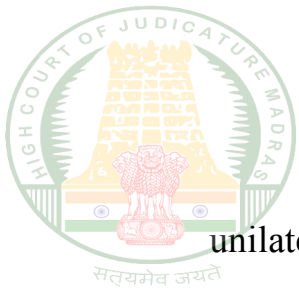
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Cooperative Societies vide proceedings dated 06.03.2024. Thus the writ petition came to be instituted unsuccessfully.

6. The learned Senior Counsel appearing on behalf of the appellant would mainly contend that the property was a vacant land and allotted to the appellant. The appellant constructed a building and his son was running a clinic initially. Subsequently, the clinic was converted as commercial shops and leased out to third parties from the year 2020 onwards.

7. It is contended that the Society permitted the construction of building and the appellant invested money for construction of commercial shops. Therefore, they cannot turn around and evict the appellant.

8. The learned Additional Advocate General Mr.M.Sureshkumar appearing on behalf of the respondents 1 to 3 would oppose by stating that the initial lease granted in favour of the appellant per se is illegal, since the procedures as contemplated under the Tamil Nadu Cooperative Societies Act had not been followed. No public auction was conducted. The Society



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unilaterally passed a resolution without issuing any public notice and entered into a rental agreement with the appellant. The rent fixed was meagre and not in commensuration with the guideline value or the market value prevailing at the relevant point of time. Pertinently, the rent agreed in the year 2010 was not revised for several years. The Society sustained huge monetary loss on account of non-revision of rent for several years. The appellant not only constructed the building, but leased out the shops to third parties and earned gainfully. The learned Additional Advocate General would submit that the appellant had not paid the rent properly. He is a defaulter in payment of rent from the year 2020 onwards.

9. In reply, the learned Senior Counsel for the appellant submitted that the appellant offered the rents, but the Society returned the same.

10. Be that as it may, this Court is of the considered opinion that the funds of the cooperative society is a public fund. It has been collected from its members and be utilised for the benefit of the members and for the development of the Society. The Government allotted land to the



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cooperative society free of cost or by collecting meagre amount, which is to be utilised for the development of the Society in order to achieve its objects.

Contrarily, the land allotted by the Government to the Society at free of cost cannot be utilised other than the purpose for which it was allotted.

11. Though a revision under Section 153 of the Tamil Nadu Cooperative Societies Act is not maintainable, in the present case, as against the order passed by the Deputy Registrar of Cooperative Societies under Section 90 of the Cooperative Societies Act, the Registrar decided the issues on merits. At this stage, this Court is not inclined to reverse the order passed by the Registrar of Cooperative Societies (Housing) confirming the order passed by the Deputy Registrar of Cooperative Societies. The order passed by the Deputy Registrar of Cooperative Societies under Section 90 is in accordance with the provisions of the Act and even as per the said order, the appellant is not entitled to continue in the subject property.

12. The writ Court considered the issues in right perspective and dismissed the writ petition. The transaction between the appellant and the



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Society is in the nature of landlord-tenant relationship and admittedly, the rental agreement was for a period of eleven months, which expired in the year 2011 itself. Thereafter, the continuance of the appellant in the premises is unlawful and therefore the appellant is not entitled for any relief.

13. The manner in which the property of the Society was leased out in favour of the appellant and the non-revision of rent for several years, are to be viewed seriously by the Registrar of Cooperative Societies (Housing) and the Government. It seems that several irregularities were committed right from passing of resolution allotting the subject property in favour of the appellant. Unilateral decision to allot the Society's property in favour of one person is impermissible. It is opposed to public policy and in violation of the provisions of the Cooperative Societies Act. Thus the Government and the Registrar of Cooperative Societies (Housing) have to conduct statutory enquiry under Section 81 of the Tamil Nadu Cooperative Societies Act and institute all appropriate further actions in the manner known to law.

14. The learned Additional Advocate General would submit that the



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Society has already taken possession of the property. However, the appellant is in possession of an extent of 300 sq.ft. of superstructure.

15. In view of the above submission, the appellant is permitted to remove the superstructure at his own cost within a period of two months from today. The Society shall evict the other occupants within a period of one month from today and thereafter shall deal with the property in the manner known to law. With the above observation, the writ appeal stands disposed of. Consequently, C.M.P.No.440 of 2025 is closed. No costs.

Index : yes

(S.M.S.,J.) (K.R.S.,J.)

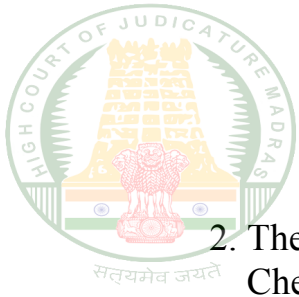
Neutral citation : yes

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SS

To

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Tamil Nadu Cooperative Housing Federation
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2. The Deputy Registrar of Cooperative Societies (Housing)
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