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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.11.2025

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THE HONOURABLE MR. JUSTICE V. LAKSHMINARAYANAN

W.P.No.42690 of 2025

B.G.Balu

Ex.President

XN-882, Sakthi Labour Contract Cooperative Societies

No.1/1, Astabujam Road, Choolai,

Chennai – 600 112.

... Petitioner

Vs.

1. The Central Registrar of Cooperative Societies
No.900, 9th Floor, Tower-E, World Trade Centre
Nauroji Nagar, New Delhi – 110 029.

2. The Ministry of Cooperation
No.900, 9th Floor, Tower-E, World Trade Centre
Nauroji Nagar, New Delhi – 110 029.

3. The Registrar of Cooperative Societies
NV Natarajan Maligai,
No.170, Periyar EVR High Road,
Kilpauk, Chennai – 600 010.

... Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus calling for the records relating to the impugned order dated 04.08.2025 passed by the first respondent rejecting the petitioner's application for registration and conversion of Sakthi Labour



Contract Cooperative Society as a Multi-State Cooperative Society under Section 22 of the Multi-State Cooperative Societies Act, 2002, quash the same as being contract to Section 7(3) of the Multi-State Cooperative Societies Act, 2002 and consequently to direct the first respondent to register the petitioner's society as a Multi-State Cooperative Society within such period as may be stipulated by this Hon'ble Court.

For Petitioner : Mr. R.Dhanasekar

For RR 1 & 2 : Mr. Rajesh Vivekanandan
Deputy Solicitor General

For 3rd Respondent : Mrs. E.Renganayaki
Additional Government Pleader

ORDER

I heard Mr. R.Dhanasekar, learned counsel for the petitioner, Mr. Rajesh Vivekanandan, learned Deputy Solicitor General, for the first and second respondents and Mrs. E.Renganayaki, learned Additional Government Pleader for the third respondent.

2. The petitioner is a Co-operative Society established for the upliftment of persons belonging to Schedule Caste Community. The deponent had been



WEB GOV serving the society as President till August 2025. The Society has been successful in receiving work orders from institutions in the State of Tamilnadu, Karnataka, Telungana and Puducherry. The Society, therefore, sought to get itself registered under the Multi State Co-operative Societies Act (Central Act 39 of 2002), and had filed an application for registration with the first respondent, seeking conversion of the Cooperative Society into a Multi State Co-operative Society. The application was made in 2023. Since there was no response, the petitioner sent representations on 13.06.2024, 21.04.2025 and 03.06.2025, calling upon the first respondent to register it as a Multi State Co-operative Society.

3. The first respondent passed an order on 04.08.2025 rejecting the request of the petitioner stating that the Registrar of Co-operative Society of Tamilnadu, Karnataka and Andhra Pradesh had not sent their comments / views and that the Registrar of Co-operative Societies of Puducherry and Telangana opposed the conversion, denying the operation of the Society in their area. Challenging the same, the present Writ Petition.

4. Mr. R.Dhanasekar urged that by virtue of Section 7(3) of the Multi State Co-operative Societies Act 2002 (Act 29 of 2002), the order deserves to



be set aside on the following two primary grounds:

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(i) The application is deemed to have been allowed, in case it is not rejected within the time period specified under Section 7; and,

(ii) Even the deemed confirmation does not apply and the order still has to go, since the petitioner was not heard prior to the rejection of its proposal.

5. Per contra, Mr. Rajesh Vivekanandan urges that Section 7 does not apply to the case of the petitioner, and that the appropriate Section which is applicable is Section 22, which speaks about conversion of Cooperative Society into a Multi State Co-operative Society. He submits that as the States of Tamilnadu, Karnataka and Andhra Pradesh had not given their opinion, and as the Registrar of Co-operative Society of Puducherry and Telengana had opposed the application, the first respondent had passed the impugned order. He states that in terms of Section 22(2)(a) of Act 39 of 2002, the first respondent had to consult the Registrar of Co-operative Society of the states concerned, and as the consultation process did not yield any result, the first respondent passed the order. He further adds that there is no procedure for hearing a person under Section 22, as found under Section 7, and therefore, the



order is perfectly valid and does not require interference.

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6. I have carefully considered the submissions made on both sides and gone through the records.

7. This is a very unique case where I am in agreement with both the counsel. At the first instance, I have to agree with Mr.Rajesh Vivekanandan. The appropriate provision for application is Section 22 and not Section 7. Section 7 deals with a situation, where the applicants seek to register a society for the first time as a Multi State Co-operative Society. Section 22 operates on a totally different plane. It applies when a society has been previously registered under any of the State legislations, seeks conversion from a Society so registered to one to be registered by the Registrar of Multi State Co-operative Societies in terms of Act 39 of 2002.

8. Now the mere fact that I agree with Mr.Rajesh Vivekanandan's submission on the applicable section, does not mean that, I have to uphold the order which has been passed. If I were to agree with Mr.Rajesh Vivekanandan, that the first respondent cannot pass an order without getting the reports of the Registrars of the concerned Cooperative Societies in their respective States, I will be doing violence to the parliamentary statue. A casual reading of Section



22 shows that, before the first respondent takes a call on the application for conversion, he has to consult the Registrar of Cooperative Societies of the concerned States. Even if the concerned Registrars were to oppose the proposal, still the first respondent has to decide, whether in the facts and circumstances of the applicant before him, whether conversion is permissible.

9. This is because the Parliament has stipulated under Section 22(2)(b), that it is the duty of the Central Registrar to satisfy himself before he comes to a conclusion. The inputs given by the Registrars of Cooperative Society of the states concerned, would only be additional pieces of information that the Central Registrar has to consider before taking a call under Section 22(2)(b). The Central Registrar need not keep waiting till the Registrars from the States give their opinion. This is because under Section 22(2)(b), the Central Registrar is mandated to pass an order within a period of 6 months from the date of receipt of the application by him.

10. The word “consult” has been a subject matter of interpretation in several Judgments, this Court in *R.Pushpam and another Vs. the State of Madras, AIR 1953 Mad 392*, considered the term ‘consult’ under the erstwhile District Municipalities Act. *Justice K.Subba Rao* (as his Lordship then was)



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held that the word 'consult' implies a conference of two or more persons or an impact of two or more minds in respect of the topic in order to enable them to evolve a correct, or at least a satisfactory, solution. Such a consultation may take place at a conference table or through correspondence. The form is not material, but the substance is important. It is necessary that the consultation shall be directed to the essential points and core to the subject involved in the discussions. The consultation must enable the consultor to consider the Pros and Cons of the question before coming to a decision.

11. With regard to the case on hand, the Central Registrar had addressed communication to the registrar of co-operative societies of the concerned states. By doing so, he had complied with the requirements of Section 22. In as much as, in this case, the State Registrars 'consultees' did not send in their opinion, that need not detain the Central Registrars cosultor from performing his duties in passing the order.

12. If the central registrar had not sent communications calling upon the concerned State Registrars to give an opinion, then he would be failing in his duty. That does not mean the central registrar should keep waiting for the opinion of the state authorities like the obedient boy depicted in 'Casca Bianca.'



If he were to do so, like the boy, he too would sink.

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13. In my view, even if the Registrars of the concerned State, did not convey their opinion, the Central Registrar is still statutorily bound to check whether the application answers the requirements of the Act and if it so does, it is his duty to pass appropriate orders.

14. On the next point, that the Central Registrar need not hear a party, since there is no provision as contemplated under Section 7 for such hearing is concerned, here too, I am not in agreement with Mr.Vivekanandan. This is because, it is too well settled a position of law that before an order is passed adverse to any party, principles of natural justice demand that the concerned person be heard. It is possible that during the course of hearing, certain facts, which might persuade the Central Registrar to reject the application, might be clarified, and enable him to take a view in favour of the applicant. Principles of natural justice have not been specifically excluded under Section 22 of the Act. Unless and until the parliament expressly declares that the applicant need not be heard before orders are passed, I am of the view that the Central Registrar is bound to give an opportunity to the applicant before he decides on the



application seeking conversion.

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15. Apart from these two aspects, another aspect looms large. From the perusal of the impugned order, is clear that it is totally bereft of reasons, other than recording the non-compliance of the Registrar of Cooperative Societies of the concerned States to send their opinion. The Central Registrar cannot surrender his power under Section 22(2), to the wishes of the Registrars of the concerned States. He has to give reasons as to why the application does not fulfill the requirements of Section 22(2)(b)(i) or 22(2)(b)(ii). The Registrars of Society of the concerned states might not have informed the Central Registrar about their objections or consent since they would be satisfied that the application is in accordance with Section 22(2). Hence, an independent duty falls on the first respondent is to give reasons as to why the application does not fulfill the requirements of Section 22(2). An order, which is devoid of any reasons, requires to be set aside on that short ground alone. Reason is the heart beat of an order, and when an order lacks reasons, it is akin to a still born child. In any even for the failure of the State Registrars to perform their tasks, the petitioner cannot be penalised. The impugned order being contrary to the requirements of Section 22(2), and for the lack of compliance with the principles of natural justice, it cries out to be quashed and accordingly, it is



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16. The application stands restored on to the file of the first respondent. He shall consider the application independently, as directed by the Parliament in terms of compliance with Section 22(2)(b)(i) and 22(2)(b)(ii). He need not keep waiting, as pointed out above, for the opinion of the State Registrars. He shall pass an order within a period of 8 weeks from the date of receipt of a copy of this order. He shall, before passing an order, hear the authorised representative of the writ petitioner, and thereafter, take a call on the application.

17. The Writ Petition stands allowed in the aforesaid terms. No costs.

12.11.2025

vsg

Neutral Citation : Yes / No

To

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2. The Ministry of Cooperation
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