



W.P(MD)No.8288 of 2023

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 07.07.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.8288 of 2023

and

W.M.P.(MD).No.7630 of 2023

The Management,
A.2982 Pallapapatti Primary Agricultural Co-Operative
Credit Society Limited,
represented by its President,
Pallappatti, Kottampatti via
Melur Taluk,
Madurai District.

... Petitioner

Vs

1.N.Subbiah

2.R.Divya Bharathi

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, to call for the records relating to the impugned sale certificate dated 21.03.2022 vide Doc.No.1062 of 2022 on the file of the Sub Registrar, Karungalakudi executed by the Labour Court, Madurai and quash the same.



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For Petitioner : Mr.T.Veerakumar

For R-1 : No Appearance

For R-2 : Mr.M.Ganesan

ORDER

This Writ Petition has been filed challenging the impugned sale certificate dated 21.03.2022 vide Doc.No.1062 of 2022 on the file of the Sub Registrar, Karungalakudi executed by the Labour Court, Madurai.

2. Heard Mr.T.Veerakumar, learned counsel for the petitioner and Mr.M.Ganesan, learned counsel for the second respondent.

3. The learned counsel appearing for the petitioner submitted that the petitioner is a registered Cooperative Society under the Tamil Nadu Cooperative Societies Act. The first respondent was employed as Secretary in the petitioner Society and retired from service on 31.07.2007. Though a sum of Rs.1,16,095/- out of the Provident Fund amount of Rs.2,02,190/- was paid to him, the balance amount of Rs.86,095/- was not paid due to the financial constraints of the Society. After about seven years, the first respondent filed C.P.No.69 of 2014 under Section 33-C(2) of the Industrial Disputes Act before the Labour Court, Madurai



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claiming earned leave salary, the balance provident fund amount and the amount allegedly credited to his wife's account. By order dated 20.07.2015, the Labour Court directed the petitioner Society to pay a total sum of Rs.6,86,387/-. Thereafter, since the petitioner Society failed to satisfy the award, the first respondent initiated execution proceedings in E.P.No.13 of 2017. An order of attachment was passed and the Society building was brought for sale. During the pendency of the execution proceedings, the petitioner paid Rs.1,00,000/- on 21.08.2019 and Rs.70,000/- on 07.12.2019. Since the balance amount remained unpaid, the Labour Court proceeded with the auction.

4. The learned counsel further submitted that the petitioner had challenged the award in W.P.(MD).No.19831 of 2020. During the pendency of the writ petition, this Court granted interim orders. However, the Labour Court proceeded with the auction on 28.12.2020 and the second respondent, who is none other than the daughter-in-law of the first respondent, purchased the property for Rs. 13,05,000/-. Subsequently, a sale certificate dated 21.03.2022 was issued in favour of the second respondent. According to the petitioner, the auction was conducted behind its back and the sale in favour of a close relative of the decree-



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holder is illegal. Therefore, the petitioner has challenged the sale certificate. The learned counsel further submitted that though the petitioner had earlier challenged the award, the petitioner Society, in order to avoid further litigation, is now willing to pay the entire decretal amount together with interest at 6% per annum. He therefore prayed that the sale certificate may be set aside and liberty may be granted to the second respondent to withdraw the auction amount deposited before the Labour Court together with accrued interest.

5. Per contra, the learned counsel appearing for the second respondent submitted that the first respondent had obtained an award in C.P.No.69 of 2014 and the petitioner failed to comply with the same. Consequently, execution proceedings were initiated in E.P.No.13 of 2017 claiming Rs.6,86,387/-. During the pendency of the execution petition, only a sum of Rs.1,70,000/- was paid by the petitioner. Since the balance amount remained unpaid, the property was brought for sale and the second respondent became the successful auction purchaser by paying a sum of Rs.13,05,000/-, which amount has been deposited before the Labour Court. After appropriation of the decree amount, the balance sale proceeds are still lying in deposit before the Labour Court. The learned



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counsel further submitted that once the sale certificate has been issued in favour of the second respondent, the same cannot be lightly interfered with in proceedings under Article 226 of the Constitution of India, particularly when disputed questions of fact arise. Therefore, he prayed for dismissal of the writ petition.

6. Heard the learned counsel appearing on either side and perused the materials available on record.

7. The facts are not in dispute. Admittedly, the first respondent retired from service on 31.07.2007 and certain retirement benefits remained unpaid. He therefore filed C.P.No.69 of 2014 under Section 33-C(2) of the Industrial Disputes Act before the Labour Court, Madurai. By order dated 20.07.2015, the Labour Court directed the petitioner Society to pay a total sum of Rs.6,86,387/-. It is also not in dispute that the petitioner challenged the award before this Court in W.P.(MD).No.19831 of 2020. During the execution proceedings, the petitioner paid only Rs.1,70,000/-. Consequently, the Labour Court proceeded with the auction and the second respondent, who is the daughter-in-law of the first



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respondent, purchased the property for Rs.13,05,000/-. The entire auction amount has been deposited before the Labour Court and is still lying in deposit. Today, the petitioner Society has expressed its willingness to satisfy the entire decree together with interest at 6% per annum. In view of the said submission and considering the peculiar facts and circumstances of the case, this Court is inclined to set aside the sale certificate subject to appropriate conditions.

8. Accordingly, the impugned sale certificate dated 21.03.2022 is set aside subject to the following conditions:

(i) The petitioner Society shall pay interest at 6% per annum on Rs. 6,86,387/- from 07.12.2017 till 07.12.2019.

(ii) After giving credit to the sum of Rs.1,70,000/- already paid, the petitioner Society shall pay interest at 6% per annum on the balance sum of Rs. 5,16,387/- from 07.12.2019 till the date of payment.

(iii) The above amount shall be paid within a period of six weeks from the date of receipt of a copy of this order.

(iv) On such payment, the second respondent is permitted to withdraw the auction amount of Rs.13,05,000/- together with accrued interest from the Labour Court.



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(v) In the event no interest has accrued on the auction deposit, the petitioner Society shall pay interest at 6% per annum on Rs.13,05,000/- from the date of deposit till the date of withdrawal by the second respondent.

(vi) On compliance with the above directions, the Labour Court shall disburse the decretal amount to the first respondent and permit the second respondent to withdraw the auction deposit in accordance with law.

9. With the above directions, this Writ Petition stands allowed. No costs. Consequently, the connected miscellaneous petition is closed.

07.07.2026

NCC : Yes / No
Index : Yes / No
TSG
To

- 1.The Sub Registrar, Karungalakudi .
- 2.The Labour Court, Madurai.



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M.DHANDAPANI, J.

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