



W.P.No.31605 of 2013

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30/10/2025

C O R A M

THE HONOURABLE Mr.JUSTICE K. SURENDER

Writ Petition No.31605 of 2013

a n d

M.P.No.1 of 2013

K. Chandrasekaran

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Petitioner

Vs

1. The Assistant Director
(Industrial Co-operatives)/
Official Liquidator
Taico Bank
Thalamuthu Natarajan Maligai
No.1 Gandhi Irvin Road
Egmore
Chennai 600 008.

2. The Branch Manager
Taico Bank
Coonoor
The Nilgiris District.



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3. The Joint Director (Tea)

Incoserve

Coonoor

The Nilgiris District.

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Respondents

Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of certiorari to call for the records relating to the order dated 15/10/2023 made in G.L.No.178/2001-1 passed by the first respondent and quash the same.

For petitioner ... Mr.N.Manokaran

For respondents ... Ms.Mithreyi Kasthuri Rangan
for Mr.K.Harishankaar
for R.R.1 and 2.

ORDER

This writ petition has been filed to quash the order dated 15/10/2023 passed by the first respondent in G.L.No.178/2001-1.

2. The brief facts of the case are that the petitioner worked as an Accountant in Pandalur Ladies Polythene Industrial Cooperative Society Ltd. The said Society was liquidated on 23/4/2001. The Assistant Director of Taico Bank/first respondent was appointed as its Official Liquidator.



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3. In the said process of liquidation, while realising the assets, the

Official Liquidator noticed that Society had incurred losses to an extent of Rs.5,06,902/-, on account of the illegal acts committed by the petitioner and one A.Jayachandran (deceased), former Secretary of the Society. Accordingly, orders were passed for recovery of Rs.2,53,451/- each from the petitioner and deceased A.Jayachandran. The petitioner was asked for his explanation and he submitted the same on 5/12/2012. The impugned order dated 15/10/2013 was passed and the relevant portion of the impugned order is extracted hereunder:-

“The explanation furnished by Thiru.K.Chandrasekaran, Storekeeper was examined by the Official Liquidator. On in-depth scrutiny and analysis of the explanation finally, it is conclude that the explanation furnished by the individual is not accepted.

Under the circumstance explained above, responsibility is fixed 50 : 50 against Thiru.A.Jayachandran, formerly ICO/Special Officer (deceased) and Thiru.K.Chandrasekaran, Ex-Store Keeper, Pandalur Ladies Polythene



Workers Indl.Co-op Society Ltd., now working as Junior Assistant Pandalur Indl. Co-op Tea Factory Ltd., for the said amount of Rs.5,06,902/- (Rupees Five Lakhs Six Thousand Nine Hundred and Two only). Now, under Section 139(2) (b) of the TNCS Act 30 of 1983 the Official Liquidator issued a contribution order for the recovery of Rs.2,53,451/- (Rupees Two Lakhs Fifty Three Thousand Four Hundred and Fifty One only) from Thiru.K.Chandrasekaran, Ex-Store Keeper, Pandalur Ladies Polythene Workers Indl. Co-op Society Ltd., (Uner Liquidation) now, working as Junior Assistant, Pandalur Indl. Co-op Tea Factory Ltd.”

4. As seen from the impugned order, it does not reflect as to what was the explanation of the petitioner regarding the finding of the liability of the petitioner and it does not reflect the reasons as to why the Official Liquidator has declined the explanation.

5. In the event of any explanation being given, it is just and necessary that the explanation has to be looked into and reasons should be



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given for not accepting the explanation. Further, how the petitioner was responsible for the loss of Rs.5,06,902/- is also not described/narrated.

Apparently, the orders were passed without considering the explanation given by the petitioner and brushing it aside only on the ground that explanation furnished cannot be accepted, is incorrect. The concerned authority ought to have given the details of the explanation and also the reasons for rejecting such explanation.

6. It is not in dispute that there was no enquiry that was conducted on the basis of the explanation given by the petitioner. In such an event, the Official Liquidator arriving at the conclusion of the petitioner being responsible for 50% of the amount of Rs.5,06,902/- cannot be accepted.

7. The other employee, viz., A.Jayachandran (deceased) against whom 50% of Rs.5,06,902 was asked to be recovered, the wife of the deceased filed W.P.No.6984 of 2014. The said writ petition was disposed of on 20th June, 2022, wherein this Court had directed the petitioner therein to approach the functional Registrar/Commissioner of Industries and Commerce, if required for the purpose of redressal of her grievances by



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following the procedures as contemplated.

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8. Since this Court finds that the impugned order itself is incorrect and without any reasoning and further, it does not reflect any kind of enquiry or reasons for rejecting the explanation of the petitioner, this Court is inclined to set aside the impugned order.

9. Accordingly, this writ petition is allowed and the order dated 15/10/2013 made in G.L.No.178/2001-1 passed by the first respondent is hereby quashed. It is left open to the respondents to conduct an enquiry and give reasons for any such liability in so far as the petitioner is concerned. No costs. Consequently, connected Miscellaneous Petition is closed.

(K.SURENDER,J)
30th October, 2025

mvs.

Index: Yes/No
Neutral Citation: Yes/No

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