



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23-04-2025

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CORAM

**THE HONOURABLE MR JUSTICE S. M. SUBRAMANIAM
AND
THE HONOURABLE MR.JUSTICE K.RAJASEKAR**

WA No. 1287 of 2025

and

C.M.P.Nos.9801 & 9818 of 2025

1. K.Rajalakshmi

W/o. Late kathiravan, Agraharam
Street, 16, Bolakudi, Alathur Post,
nannilam Taluk, Thiruvarur District

Appellant(s)

Vs

1. The Deputy Registrar of Cooperative
Societies

Office of the Deputy Registrar of
Cooperative Societies, Combined
Cooperative Campus, District Collector
Campus, Thiruavvrur District

2.11346, Pillur Primary Agricultural
Co-operative Society,
Nannilam Taluk, Thiruvarur District,
Rep by its Special officer

Respondent(s)



PRAYER:

To set aside the final orders passed in WP.No.11060/2024 dated 19-10-2024.

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For Appellant(s): Mr.T.S.Rajamohan

For Respondent: Mr.S.Ravikumar,
Special Government Pleader
(Co-Op) For RR1 & 2

ORDER

(Order of the Court was made by S.M.Subramaniam J.)

The writ petitioner is the appellant before this Court. The writ proceedings was initiated challenging the Statutory Enquiry Report submitted by the Enquiry Officer under Section 81 of the Tamil Nadu Co-operative Societies Act. Statutory Enquiry Report under Section 81 of the Act *per se* would not constitute a cause for institution of a writ proceedings.

2. Based on the report, three fold actions are permissible under the Co-operative Societies Act. Surcharge proceedings under Section 87 of the said Act may be initiated to make good the financial loss if any caused to the society; Criminal prosecution can be launched through Commercial Crime Investigation Wing (CCIW) thirdly, Departmental disciplinary proceedings can be initiated.



All these actions can be made simultaneously by the competent authorities.

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3. Section 81 of the said Act in unambiguous terms speaks that the enquiry can be conducted into the constitution working and financial condition of a registered society or any alleged misappropriation, fraudulent retention of any money or property breach of trust corrupted pieces or mismanagement regulation to that society, etc. The Scope of statutory enquiry is wider enough to cover all the illegalities and irregularities in a Co-operative Society. Based on the report, in the present case, surcharge proceedings are initiated since the authorities found financial loss is caused to the society.

4. The learned counsel appearing on behalf of the appellant would submit that even from the date of ordering of statutory enquiry, the husband of the appellant was not alive and he died even before ordering a statutory enquiry. Death of the erstwhile Secretary is not a ground to seek exoneration from the surcharge proceedings. Surcharge proceedings will have civil consequences and therefore the authorities are empowered to continue the proceedings against the



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legal heirs of the Secretary against whom the allegations of misappropriation or financial loss are raised. Therefore death of the employee cannot be a ground to exonerate the legal heirs from the surcharge proceedings and such a ground raised, is absolutely mis-conceived.

5. Section 87 of the Act itself contemplates in respect of deceased person, the representative who inherits the estate has to answer the charges and therefore there is no ground made out for the purpose of interfering with the surcharge proceedings initiated. The writ Court has rightly arrived at a conclusion and therefore the writ appeal is devoid of merits and consequently, the writ appeal stands dismissed. There shall be no order as to costs. Consequently, the connected miscellaneous petitions are also stands closed.

(S.M.SUBRAMANIAM J.) (K.RAJASEKAR J.)

23-04-2025

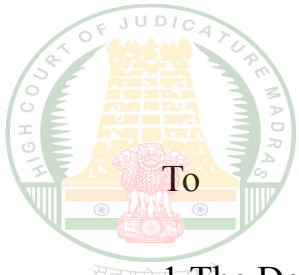
ssi

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No



To

1. The Deputy Registrar of Cooperative Societies

Office of the Deputy Registrar of
Cooperative Societies, Combined
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Campus, Thiruavurr District

2. 11346, Pillur Primary Agricultural
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