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W.P No.15061 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.06.2025

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THE HONOURABLE MR. JUSTICE C. KUMARAPPAN

Writ Petition No.15061 of 2025

G.Chellan

... Petitioner

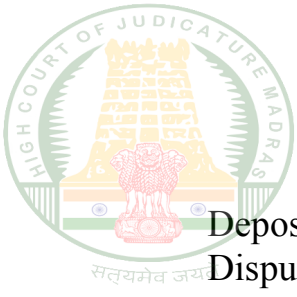
..Vs..

1.The Deputy Registrar of Cooperative Societies,
Hosur Circle,
Hosur, Krishnagiri District.

2.The Administrator,
S.333, Kamandoddy Primary Agricultural
Cooperative Credit Society Ltd.,
Kamandoddy,
Soolagiri Taluk,
Krishnagiri District.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a writ of Certiorarified Mandamus, to call for the records of the proceedings of the 2nd respondent dated 31.05.2023 withholding the terminal benefits citing the pendency of surcharge case and quash the same as illegal and without jurisdiction in the light of full bench decision of this Court reported in (2015) 4 CTC 1 in S.Andiyanan v. The Joint Registrar of Cooperative Societies; and consequently, direct the 1st and 2nd respondents herein to settle the entire retirement/terminal benefits namely, Provident Fund Amount, Gratuity Amount, Leave Encashment Salary and the Security



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Deposit as per the terms of Settlement made under Sec.12(3) of Industrial Disputes Act, 1947 dated 04.03.2014 with effect from 01.04.2013 and the subsequent settlement made in the year 2018 with effect from 01.04.2018 and to the petitioner along with 12% interest p.a from the date of retirement i.e., from 31.05.2023 till date of actual payment.

For Petitioner : Mr.S.Sathiaseelan

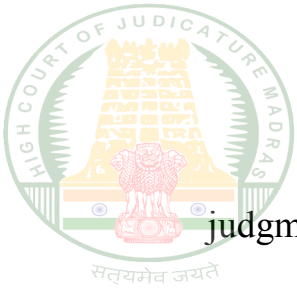
For Respondents : Mr.N.Naveen Kumar,
Government Advocate

for M/s.M.Geetha Thamaraiselvan,
Special Government Pleader for RR1 & 2

ORDER

The present writ petition has been filed with a prayer to quash the impugned proceedings of the 2nd respondent dated 31.05.2023.

2. The learned counsel appearing on behalf of the petitioner would submit that in contravention to the full bench Judgment of this Court, the 2nd respondent issued order dated 31.05.2023 withholding the terminal benefits citing the pendency of surcharge proceedings, but such Proceeding is not penal in nature and therefore, the employer cannot withhold the retirement benefits. In this regard, the learned counsel would rely upon the full bench



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judgment of this Court in the case of ***S.Andiyannan vs. The Joint Registrar, Cooperative Societies Madurai Region, Madurai and another reported in (2015) 4 CTC 1.***

3. The learned counsel would further contend that the retirement benefits is a property right under Article 300-A of the Constitution of India. Therefore, unless the ***Tamil Nadu Cooperative Societies Act, 1983*** provides rule to withhold retirement benefits on the basis of Surcharge Proceedings, the action of the respondent in withholding the retirement benefits is in contravention to the constitutional mandate.

4. At this juncture, the learned Special Government Pleader appearing on behalf of the respondents would fairly admit that in view of the full bench judgment of this Court in ***S.Andiyannan's case*** cited supra, the impugned order dated 31.05.2023 may be quashed.

5. I have given my anxious consideration on either side submission.

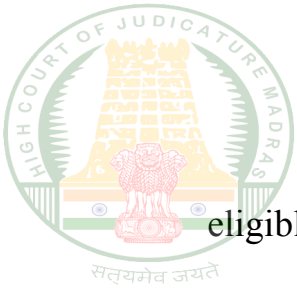


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6. In of the factual and legal position, this Court is inclined to quash the impugned order dated 31.05.2023 and at the same time, the learned counsel for the petitioner would submit that the petitioner is entitled for retirement benefits, provident fund amount, gratuity amount and leave encashment salary and security deposit as per the settlement made under 12(3) Settlement dated 04.03.2014 under the Industrial Disputes Act, dated 04.03.2014.

7. The learned Special Government Pleader would fairly admit that the petitioner is also entitled to claim the amount under 12(3) Settlement and today, the respondents brought a Demand Draft for a sum of Rs.2 lakhs towards part payment of the petitioner's retirement benefits. It is the further submission of the learned Special Government Pleader that the petitioner has already received a sum of Rs.9 lakhs and in view of financial conditions of the respondent Society, the respondents need some time to pay the eligible amount of the petitioner.

8. In such view of the matter, while allowing this Writ Petition, this Court deems it appropriate to direct the respondents to settle the petitioner's



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eligible retirement benefits along with interest at the rate of 6% per annum, within a period of twelve (12) weeks from the date of receipt of a copy of this order.

9. In the result, the writ petition is allowed. The impugned order dated 31.05.2023 is quashed. No costs.

23.06.2024

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Index : Yes

Speaking Order : Yes /No

Neutral Citation Case: Yes/No

To:

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C. KUMARAPPAN, J.

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