



W.P.No.20945 of 2025 & 23475 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2025

CORAM:

THE HONOURABLE MRS. JUSTICE N.MALA

W.P.Nos.20945 and 23475 of 2025

and

W.M.P.Nos.23658, 23660 & 26340 of 2025

R.Seerangan

...Petitioner
in W.P.20945 of 2025

S.Senthilkumar

...Petitioner
in W.P.23475 of 2025

-Vs-

1.The Joint Registrar of Co-operative Societies
Salem Region, Salem District.

2.The Deputy Registrar of Co-operative Societies
Omalur Circle, Omalur, Salem District

3.The Co-operative Sub Registrar/
Field Officer/Enquiry Officer
S.M.84, JSW Steel Employees Co-operative
Thrift and Credit Society Ltd
Pottaneri, Salem District.

4.The Administrator
S.M.84, JSW Steel Employees Co-operative
Thrift and Credit Society Ltd
Pottaneri, Salem District.

...Respondents
in both writ petitions



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Common Prayer: Writ Petitions filed under Article 226 of the Constitution of India, praying for the issuance of a direction in the nature of Writ of Certiorarified Mandamus, calling for the records from the second respondent in his Surcharge Notice Na.Ka.3143/2024 sa.pa. dated 29.05.2025 and quash the same insofar as the petitioner is concerned as illegal, arbitrary and unconstitutional.

For Petitioner : Mr.I.Abbar Md Abdullah
in W.P.20945/2025

For Petitioner : Mr.A.M.Esakkiappan
in W.P.23475 of 2025

In both petitions

For R1 to R3 : Mr.R.Neelakandan
Additional Advocate General
Assisted by Mr.M.Muthusamy
Government Advocate

For R4 : Mr.P.S.Sivashanmugasundaram
in W.P.20945/2025

For R4 : Mr.P.Gurunathan
in W.P.23475/2025 Additional Government Pleader

COMMON ORDER

These two writ petitions are filed challenging the impugned summons dated 29.05.2025, issued by the second respondent and to quash the same, insofar as the petitioners are concerned.



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2. As common issues of law and facts arise in both the writ petitions, they are disposed by this common order.

3. The case of the petitioner in W.P.No.20945 of 2025 is that, he was appointed as Assistant Secretary/Manager in the Mecheri Primary Agricultural Cooperative Society, Salem District on 06.06.1983 and thereafter, he was promoted as Manager and Accountant in the said society on 01.08.1989. The petitioner was thereafter absorbed as Secretary in JSW Steel Employees Cooperative Thrift and Credit Society Ltd/fourth respondent, on 14.07.2006. Later, he was permitted to retire from service on 31.05.2019. Whileso, an enquiry was conducted under Section 81 of Tamil Nadu Co-operative Societies Act, by the second respondent and an order was passed on 25.04.2024. Based on the enquiry report, the second respondent issued the summons to the petitioner and others. In the summons issued to the petitioner, various acts of misappropriation committed by the petitioner resulting in loss of the Society's funds to the tune of Rs.11,99,38,365/- under thirteen heads for the period from 01.04.2013 to 31.03.2022, were mentioned. Aggrieved by the summons, the present writ petition is filed to quash the same.



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4. The case of the petitioner in W.P.No.23475 of 2025 is that, he was appointed as Appraiser under the fourth respondent on 16.08.2010 and thereafter, he was promoted as Computer Operator on 01.10.2015. Later, he was permitted to retire from service on 22.05.2024. While so, an enquiry was conducted under Section 81 of Tamil Nadu Co-operative Societies Act, by the second respondent and an order was passed on 25.04.2024. Based on the enquiry report, the second respondent issued the summons to the petitioner and others. In the summons issued to the petitioner, various acts of misappropriation committed by the petitioner resulting in loss of the Society's funds to the tune of Rs.11,99,38,365/- under thirteen heads for the period from 01.04.2013 to 31.03.2022 were mentioned. Aggrieved by the summons, the present writ petition is filed to quash the same.

5. The 4th respondent filed a detailed counter affidavit, in which it was stated that the petitioners had committed various acts of fraud resulting in heavy loss to the estate of the society. The respondents also stated that petitioners' rights were in no way infringed by the impugned summons. The respondents stated that the petitioners' endeavour was only to drag on the proceedings and therefore, prayed to dismiss both the writ petitions as



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merit-less.

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6. The main contention of the learned counsel for the petitioners' is that since the enquiry report dated 25.04.2024 of the 2nd respondent filed under Section 81 of the Tamil nadu Cooperative Societies Act, 1983, was not furnished to the petitioners, they were prejudiced in effectively contesting the matter. The learned counsel for the petitioners further submits that non-supply of the enquiry report amounts to violation of the principles of natural justice and also that surcharge proceedings initiated post retirement, were not maintainable. The learned counsel, hence prayed that the writ petitions be allowed.

7.The learned counsel for the respondents on the other hand submitted that there was no bar in initiating surcharge proceedings under Section 87 of the Act, post retirement. The learned counsel for the respondents further submitted that the petitioners were adopting delaying tactics and therefore, the present writ petitions deserved to be dismissed.

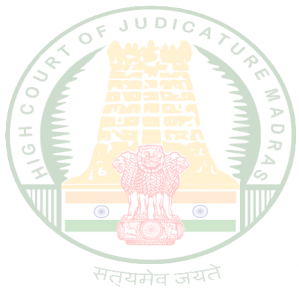


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8. Heard both sides. Perused the materials placed on record. With the consent of both counsels, the main writ petitions are disposed of.

9. The main grievances of the petitioners' are that the enquiry report dated 25.04.2024, filed under Section 81 of the Act, was not supplied to the petitioners and that the initiation of the surcharge proceedings post retirement was impermissible in law. The respondents at the time of hearing, produced a copy of the enquiry report dated 25.04.2024, and handed over the same to the learned counsel for the petitioners. Hence, the grievance of the petitioners' regarding non-supply of the enquiry report was allayed. The further objection of the petitioners with respect to initiation of surcharge proceedings post retirement is concerned, in my view is answered by the Division Bench order of this Court dated 19.07.2024 in W.A No.884 of 2018. In the Division Bench of the judgment of the Madurai Bench of Madras High Court dated 19.07.2024 in W.A.No.884 of 2018, this Court held as follows:

"On plain reading of Section 87 of the Act, it is very clear and it unambiguously declares that even against past employees, i.e., retired employees, initiation of surcharge



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proceedings, which is not in the nature of disciplinary proceedings, is permissible".

10. Under the aforesaid facts and circumstances of the case and in view of the law laid down by the Hon'ble Division Bench in the aforesaid case, I find no merits in both the writ petitions. Accordingly, this Court directs the petitioners' to submit their explanation to the impugned summons, within a period of four weeks from the date of receipt of a copy of this order. On receipt of such explanation, the respondents, shall thereafter conduct the enquiry in accordance with law and pass appropriate orders.

11. In the result, both the writ petitions stand disposed of with the above observations and direction. No costs. Consequently, connected miscellaneous petitions are closed.

26.08.2025

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Index : Yes/No

Speaking/Non Speaking order



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N.MALA, J.

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To

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- 2.The Deputy Registrar of Co-operative Societies
Omalur Circle, Omalur, Salem District
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