

CRP.No.3443 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED : 18.07.2025

CORAM

THE HONOURABLE Ms. JUSTICE P.T. ASHA

CRP.No.3443 of 2022
and
CMP.No.18329 of 2022

M.R.Manickam

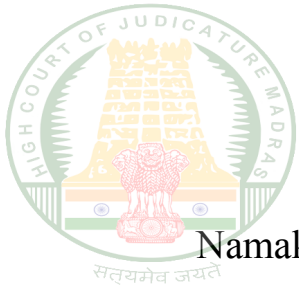
... Petitioner

Vs.

1. The Deputy Registrar of Co-operative Societies,
Deputy Registrar Office,
Tiruchengode Taluk,
Namakkal District.

2. The Secretary,
Palace Nagar Co-operative House Building Society,
Cherry Road,
Salem.

3. No.4091, Madlasamudram Primary Agricultural
Co.Op. Credit society, (Formerly by its special officer)
Now its president
Mallasamudram, Tiruchengode Taluk,



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Namakkal District.

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...Respondents

Prayer:- Civil Revision Petition under Article 227 of the Constitution of India, to set aside the Judgment and Decree dated 19.11,2019 made in CMA (CS) No.13 of 2008 on the file of the Principal District Judge, Namakkal by confirming the surcharge order passed by the 1st respondent in Na.Ka.5723/2007/sa.pa. dated 29.04.2008 by allowing this Civil Revision Petition.

For Petitioner : Mr.R.Marudhachalamurthy

For Respondents : M/s.P.Gurunathan, AGP
for R.1 and R.2

: Dr.S.Suriya, AGP for R.3.

ORDER

The petitioner who was the appellant before the Principal District Court, Namakkal in CMA C.S.No.13 of 2008 is the revision petitioner before this Court.

2. The facts necessary for disposing of the CRP is hereinbelow set out:-

3. The petitioner had worked as a Secretary in the 3rd



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respondent Society. In an audit conducted for the year 2005-2006, it was found that the funds of the society were deposited in violation of the provisions of Section 68 of the Tamil Nadu Cooperative Societies Act (herein after referred to as the "Act"). On the basis of this auditing report, the 1st respondent by order dated 05.04.2007 had directed an enquiry to be conducted. The Enquiry Officer had found that the fixed deposit of Rs.10,00,000/- which had been placed with the 2nd respondent society and was due to mature on 15.12.2004, was not redeemed on its maturity date. Instead, it was redeemed only on 20.11.2007, resulting in a loss of interest to the 3rd respondent society for the period from 16.12.2004 to 19.11.2007. The interest component was a sum of Rs.1,74,061/-. The findings of the Enquiry Officer was that the petitioner and the former Secretary of the 2nd respondent were held responsible for this loss.

4. The petitioner would submit that the 1st respondent without following the due process of law had conducted a surcharge proceedings and without affording an opportunity to the petitioner as per the statute and in violation of the principles of natural justice had



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passed the Surcharge Order under Section 87 of the Act. This order was challenged by the petitioner in CMA. (C.S). No.13/2008 on the file of the Principal District Judge, Namakkal and the Appellate Tribunal also dismissed the said appeal without appreciating the case of the petitioner. Challenging the same, the petitioner is before this Court.

5. The arguments that has been advanced on the side of the petitioner is that the petitioner had superannuated on 30.09.2005 and the surcharge proceedings had been initiated thereafter. Further, the fixed deposit had been made only after the approval of the President of the society who had signed the same and therefore the order mulcting responsibility on the petitioner was totally erroneous.

6. Per contra, Dr.Surya, learned Additional Government Pleader for the 3rd respondent would submit that the petitioner has deposited a sum of Rs.10,00,000/- as a fixed deposit for a period of 43 months and on its maturity had not taken steps to redeem the fixed deposit but had allowed the same to be deposited in the deposit of the 2nd respondent



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till the year 2007. The president of the 3rd respondent society had died and therefore the Secretary of the 2nd respondent and the petitioner were found fault with. She would submit that by not redeeming the fixed deposit in time by the petitioner, the 3rd respondent Society had suffered a loss of interest.

7. Heard the learned counsel on either side.

8. The charge against the petitioner as Secretary of the 3rd respondent is that a sum of Rs.10,00,000/- has been invested into the 2nd respondent society and the petitioner has himself admitted that this deposit was made without obtaining prior sanction of the appropriate authority. Not only was the deposit made without prior sanction, but no steps were taken to redeem it immediately after its maturity. On the contrary, the fixed deposit was redeemed only on 20.11.2007 and interest for a period of over 3 years was lost to the 3rd respondent society which amounted to a sum of Rs.1,74,061/-.

9. The argument advanced by the learned counsel for the



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petitioner that the petitioner cannot be made responsible since he had retired from service on 30.09.2005 cannot be pressed into service since the fixed deposit had matured as early as on 15.12.2004 much before his retirement. Therefore, in these circumstances, I see no reason to find fault with the judgement passed by the Principal District Judge, Namakkal holding negligence on the part of the petitioner to be a wilful one.

10. Accordingly, the Civil Revision Petition stands dismissed. No costs. Consequently, the connected Miscellaneous Petition is closed.

18.07.2025

(shr)

Index : Yes/No

Speaking Order: Yes/No

Neutral Citation : Yes/No

To



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1. The Principal District Judge, Namakkal.

2. The Section Officer,
E.R. Section
High Court, Madras.



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P.T. ASHA. J.,

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