**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

DATED : 10.06.2025

CORAM

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN**
**and**
**THE HONOURABLE MR.JUSTICE K.RAJASEKAR**

**W.A.(MD)No.100 of 2023**
**and**
**C.M.P.(MD)No.1412 of 2023**

DD 547 Palayam Primary Agricultural
Co-Operative Bank,
Represented Through its President,
Palayam Post, Vedasandur Taluk,
Dindigul District. ... Appellant

Vs.

1.The Additional Registrar,
Co-Operative Societies,
(Marketing Planning and Development),
Kilpauk, Chennai - 10.

2.The Provisional Authority,
U/S.153 of the Tamilnadu Co-Operative Societies Act,
(Regional Joint Registrar of Co-Operative Societies),
Pudukkottai.

3.The Joint Registrar of Co-Operative Societies,
District Committee Chairman,
Dindigul Region, Dindigul District.

4.M.Ramanujam ... Respondents

Prayer : Writ Appeal filed under Clause XV of Letters Patent, to allow the writ appeal by setting aside the order passed in W.P.(MD).No.20489 of 2015 dated 09-11-2022 on the file of this Court.

For Appellant : Mr. V.O.S.Kalaiselvam

For Respondents : Mr.A.Kannan,
Addl. Government Pleader for R1 to R3.
Mr.Shanmugaraja Sethupathi for R4.

**JUDGMENT**

Heard both sides.

2.The management of the cooperative society is on appeal challenging the order of the learned Single Judge.

3.One Ramanujam / fourth respondent herein was serving in the appellant / cooperative bank as Secretary. He retired in the year 2008. According to him, his terminal benefits were not settled in full. He, therefore, filed revision petition under Section 153 of the Tamil Nadu

Cooperative Societies Act, 1983 before the Regional Joint Registrar of Cooperative Society, Pudukkottai. The revisional authority allowed the revision petition on 30.09.2015 and directed the management to settle the balance amount payable to the fourth respondent. Challenging the order of the revisional authority, the management filed W.P.(MD)No.20489 of 2025. The said writ petition was disposed of by the learned Single Judge in the following terms:-

> *"3. When the writ petition was taken up for hearing, this Court directed the petitioner Bank to circulate the amount payable to the 4th respondent under the head of terminal benefits and the amount that ought to be recovered from the 4th respondent. The petitioner has circulated it and the same is extracted here under:*
>
> > *"8. It is most respectfully submitted that the terminal benefits payable to the 4th respondent is as hereunder.*
> >
> > | | | |
> > |---|---|---|
> > | *i. Gratuity as per the Payment of Gratuity Act* | *-* | *Rs.3,09,508* |
> > | *ii. The arrears of salary* | *-* | *Rs.1,49,181* |
> > | *iii. The Security deposit* | *-* | *Rs. 305* |
> > | *Total* | *-* | *Rs.4,58,994* |
> >
> > *9. It is most respectfully submitted that in the audit report the following amount is found against the 4th respondent to be payable by him.*
> >
> > *i. The objection in the audit found dues due from him is - Rs. 1,38,269.14*

*ii. As on the audit report the deficit of the furniture's found dues from him is*
*- Rs. 8,356.59*

*iii. As per the order in the surcharge proceedings in Tha Va No.3/2011sa.pa dated 14.01.2012 is*
*- Rs. 63,790.00*

*iv. The interest as per the order in the surcharge proceedings is*
*- Rs. 99, 572.00*

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*Total Rs.3,09,987.73"*

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*On scrutinizing the calculation, it is seen that the petitioner Bank has imposed an interest on the surcharge which is on the higher side and therefore, this Court is reducing the interest portion alone.*

*4. As far as the surcharge amount to the tune of Rs.63,790/- is concerned, the 4th respondent ought to pay the amount. As far as the audit report on the deficit of furniture to the tune of Rs.8,356.59 is concerned, this Court is inclined to quash the same. Another amount of Rs.1,38,269.14/- that is claimed as payable by the 4th respondent is the audit objection which is claimed as dues because dereliction of duty on the part of the 4th respondent. The learned Counsel appearing for the 4th respondent submitted that it is only an audit objection, wherein the revisional authority had directed the concerned authority to appoint a committee and enquiry whether the petitioner is payable or not, but till date the petitioner has not conducted any enquiry.*

*5.Therefore, this Court deems it fit to pass the following order:*

*a. The petitioner bank is directed to disburse the terminal benefits of Rs.4,58,994/- to the 4th respondent in four equal installments within a period of four (4) months from the date of receipt of a copy of this order.*

*b. The rate of interest for the belated payment of the gratuity amount and other amount is 8%*

*c. The 4th respondent shall pay the surcharge proceedings amount of Rs.63,790/- at the rate of 8%. (Hence the amount Rs. 99,572/- would be modified based on 8% rate of interest).*

*d. As on date, the amount is not quantified and it is only an audit objection. Therefore, the appropriate authority shall conduct an enquiry and based on the report the petitioner shall take proceedings to recover from the 4th respondent, if need be. The petitioner shall submit an undertaking to remit the amount that would be would be quantified after the enquiry."*

Questioning the same, this writ appeal has been filed by the management.

4.There is no dispute that a sum of Rs.5,02,337/- has to be paid to the employee. The calculation memo filed by the management contains the following break-up:

| | |
|---|---|
| *"1.The Gratuity* | *- Rs.3,09,508.00* |
| *2.Salary arrears* | *- Rs.1,49,181.00* |
| *3.The caution deposit* | *- Rs. 305.00* |
| | *---------------------* |
| *Total* | *- Rs.4,58,994.00* |
| | *---------------------"* |

5.It is also not in dispute that the employee suffered surcharge order and the CMA filed by him suffered dismissal for default. The learned Single Judge took an equitable view that demanding 18% interest may not be appropriate and reduced it to 8%. According to the learned Single Judge, the amount payable by the employee comes to Rs.99,572/-. Deducting the said amount from Rs.5,02,337/-, the balance amount payable to the employe comes to Rs.4,02,765/-. The society had already paid a sum of Rs.1,92,829/-. Thus, the remaining amount comes to Rs.2,09,936/- The appellant has to necessarily pay the said amount.

6.Even though the learned counsel for the appellant would contend that the audit committee has quantified the liability of the fourth respondent and that it is payable by him, we are of the view that since it has no statutory basis, in the absence of surcharge order, the said amount cannot be directed to be paid by the employee.

7.We are of the view that the order of the learned Single Judge does not call for interference. The writ appeal is dismissed. No costs. Consequently, connected miscellaneous petition is closed.

**(G.R.S. J.,) & (K.R.S. J.,)**
**10.06.2025**

NCC : Yes/No
Index : Yes / No
Internet : Yes/ No
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**G.R.SWAMINATHAN, J.**
**and**
**K.RAJASEKAR, J.**

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