



W.P(MD)No.3343 of 2022

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 16.10.2025

CORAM

THE HONOURABLE MS.JUSTICE P.T.ASHA

Writ Petition(MD)No.3343 of 2022
and W.M.P(MD).No.2929 of 2022

R.Velu

... Petitioner

Vs

The Deputy Registrar,
Office of the Deputy Registrar of
Co-operative Societies,
Karaikudi, Sivagangai District.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorari, to call for the impugned order issued by the respondent vide his proceedings in Na.Ka.No.996/2020/sa pa (3) dated 15.12.2021 and quash the same.

For Petitioner : Mr.C.Jeganathan

For Respondent : Mrs.S.Jeyapriya
Government Advocate

ORDER

This writ petition is filed seeking to quash the proceedings dated 15.12.2021 in Na.Ka.No.996/2020/Sa.Pa(3) issued by the respondent.



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2. The brief facts which have culminated in the filing of the above writ petition are as follows:

2.1 The petitioner was appointed as a Salesman in the Natucherikalthur Primary Agriculture Co-operative Credit Society in the year 1986. Since the petitioner had qualification of Diploma in Cooperative, he was holding the post of Secretary (in-charge) on 01.07.2016.

2.2 He would submit that during the financial year 2016-2017, the members, who were obtaining the loan from the society and also non loanees of that area had paid their crop insurance premium for their cultivation on the basis of the revenue records and the certificate of Village Administrative Officer. There are more than 500 members had paid their premium.

2.3 Due to the failure of the rainfall, the Government had declared that the year 2016-2017 as the non crop yielding year and the District Collector had recommended the insurance companies to pay insurance compensation to farmers/members and non members, who had paid crop insurance premium. Based on the same, the President of the society had preferred a list of beneficiaries, who had paid the insurance premium through the society and the District Central Co-operative Bank, Sivagangai, to the insurance company



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namely ICICI Lombard insurance company. The petitioner society merely acted as an agent for collecting premium from the farmers and making the payment to the insurance company.

2.4 While so, the petitioner came to learn that proceedings under Section 81 of the Tamilnadu Co-operative Societies Act (hereinafter called as Act for brevity) had been initiated against the society alleging that the insurance compensation amount to the tune of Rs.9,22,856/-was paid to the petitioner's wife, despite there being any cultivation and in the absence of any proper documents. On the basis of the said allegation, an enquiry was ordered to be conducted under Section 81 of the Act and summons were also issued to the petitioner by the Enquiry Officer.

2.5 The petitioner would submit that there is absolutely no loss that has been caused to the society either in terms of collection of premium or disbursal of compensation. The petitioner would submit that he had deposed before the Enquiry Officer that his wife had been cultivating the land of 19.98 hectares for which the concerned Village Administrative Officer had provided 'Adangal' certificate and only after producing all the documents, the compensation was paid. That apart, his wife had paid the insurance premium of Rs.16,500/- on 04.12.2016. The petitioner would submit that he had therefore requested for



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the action drop, however, Enquiry Officer had submitted a report holding the petitioner guilty and come to the conclusion that loss of Rs.7,57,038/- has been caused and recommended to initiate surcharge proceedings under Section 87 of the Act. Pursuant to this recommendation by the Enquiry Officer, the respondent herein had passed the impugned order under Section 87 of the Act, against which, the present writ petition has been filed.

3. Heard the learned counsel on either side.

4. A perusal of the impugned order does not in any fashion state as to what was the loss that was caused to the society namely Natucherikalthur Primary Agriculture Cooperative Credit. The only allegation appears that the petitioner's wife had obtained a compensation of Rs.9,22,856/-. The order does not discuss the document that has been submitted by the petitioner to show that his wife had paid the premium is a fabricated one. Further, the insurance company has disbursed the compensation, after verifying the documents submitted before them. The insurance company has not made any allegations that the compensation has been obtained fraudulently. It is indeed perplexing that the proceedings were initiated, especially when the society has not incurred any loss. The action appears to be *mala fide* and is vitiated by a complete non-application of mind. Accordingly, this Writ Petition is allowed and the



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impugned proceedings in Na.Ka.No.996/2020/sa pa (3) dated 15.12.2021 issued by the respondent is hereby set aside. No costs. Consequently, connected Miscellaneous Petition is closed.

16.10.2025

NCC : Yes/No

Index : Yes/No

Internet: Yes

Rmk

To

The Deputy Registrar,
Office of the Deputy Registrar of
Co-opertive Societies,
Karaikudi, Sivagangai District.



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P.T.ASHA, J.

Rmk

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