



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 08.08.2025

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THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.5296 of 2021
and
W.M.P(MD)No.4218 of 2021

The Special Officer,
A-1171, Allinagaram Primary Agricultural Co-operative Credit Society,
Through its Secretary, Allinagaram,
Theni District. ...Petitioner

Vs

1.K.Murugesan
2.The Director,
A-1171, Allinagaram Primary Agricultural Co-Operative
Credit Society, Allinagaram, Theni. ...Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a **Writ of Certiorari** calling for the records of the order passed by the Labour Court, Madurai, in C.P.No.135 of 2010, dated 18/12/2019, and quash the same as illegal.

For Petitioner : Mr.R.Saravanan
For Respondents : Mr.T.Ravichandran for R1
M/s.D.Farjana Ghoushia
Special Government Pleader for R2

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ORDER

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The present Writ Petition has been filed by the Management of the Primary Agricultural Co-operative Credit Society, Theni District, challenging the order passed by the Labour Court, Madurai, in C.P.No.135 of 2010, dated 18.12.2019.

2.The first respondent herein who was working as a Jewel Appraiser in the petitioner Co-operative Society was dismissed from service on 31.12.2008. Proceedings were initiated as against him under Section 87 of the Co-operative Societies Act. The award passed under Section 87 of the said Act was put to challenge by the employee in C.M.A.(CS)No.5 of 2008, before the learned Principal District Court, Theni, and the same was also dismissed on 29.10.2009. Therefore, the liability upon the employee to pay a sum of Rs.40,000/- got confirmed.

3.The employee had filed C.P.No.135 of 2010, seeking payment of salary for the period between 01.05.2003 and 31.08.2008, PF contribution of Rs.1,52,640/-, Bonus for 6 years of Rs.57,486/-, Leave Salary to a tune of Rs.88,440/, Arrears of wages of Rs.2,71,261/-. In total, the employee had claimed Rs.5,69,827/-.



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4.The only defence that was raised by the Management before the labour Court was that, the employee having suffered an award under Section 87 of the Co-operative Societies Act, he would not be entitled to receive the benefits sought for by him. It was also contended that till the rights of the employee got crystallised, no application under Section 33(c)(2) of the Industrial Disputes Act, 1947, can be filed.

5.The Labour court after considering the various communications issued by the Joint Registrar of Co-operative Society has arrived at a finding that salary has not been paid and the employee would be entitled to receive all the benefits as prayed for by him. The labour Court has also directed the Management to pay a sum of Rs.5,69,827/- within a period of four weeks along with 8% interest. This order is put to challenge by the Management.

6.According to the learned Counsel appearing for the writ petitioner, the labour Court has not taken into consideration the fact that the employee has suffered the award under Section 87 of the Co-operative Societies Act to the tune of Rs.40,000/- and the same has not been deducted. He has further pointed out that a sum of Rs.1,50,000/- has already been paid to the employee. Both



these payments have not been taken into consideration by the labour Court. He has further submitted that due to financial crisis, the Co-operative Society is not in a position to pay the amount and he prayed that the rate of interest imposed by the labour Court may be reduced.

7.Per contra, the learned Counsel appearing for the respondents has prayed for confirming the award passed by the labour Court.

8.I have considered the submission made on either side and perused the materials available on record.

9.As could be seen from the discussion of the labour Court, it is clear that the employee is entitled to the benefits as sought for by him. However, the labour Court has not taken into consideration, the award suffered by the employee under Section 87 of the Co-operative Societies Act to a tune of Rs.40,000/- and payment made by the Society to the employee to the tune of Rs.1,50,000/-. If this Rs.1,90,000/- is deducted, the balance amount of Rs.3,78,975/-, has to be paid by the Management. Considering the fact that it is a Co-operative Society, this Court is inclined to reduce the rate of interest from 8% to 6%.



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10. In view of the above said deliberations, the petitioner Society is directed to pay a sum of Rs.3,78,975/- along with 6% interest from 06.07.2006, within a period of 12 (twelve) weeks from the date of receipt of a copy of this order. Considering the fact that surcharge order was passed on 06.07.2006, the interest shall be calculated from 01.08.2006, onwards. In case, if any other amount has already been paid, the same shall also be deducted.

11. Accordingly, this Writ Petition stands Partly Allowed to the extend as stated above. No costs. Consequently, connected Writ Miscellaneous Petition is also closed.

08.08.2025

NCC : Yes/No
Index : Yes/No
Internet: Yes/No
RJR

To

The Director,
A-1171, Allinagaram Primary Agricultural
Co-Operative Credit Society, Allinagaram,
Theni.



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R.VIJAYAKUMAR, J.

RJR

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