



W.A.(MD)No.117 of 2021

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 03.12.2025

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

AND

THE HONOURABLE MRS.JUSTICE R.KALAIMATHI

W.A(MD)No.117 of 2021

and

C.M.P(MD)No.248 of 2021

1.The Managing Director,
R.K.10, Virudhunagar District Central
Co-operative Bank Limited,
Virudhunagar – 626 001,
Virudhunagar District.

2.The Branch Manager,
Virudhunagar District Central
Co-operative Bank Limited,
Market Committee,
Virudhunagar,
Virudhunagar District.

... Appellants /
Respondents 2 & 4

Vs.

1.V.Ramanathan

... 1st Respondent /
Petitioner

2.The Secretary to Government,
Cooperation, Food and Consumer



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Protection Department,
Government of Tamil Nadu,
Chennai.

3.The Joint Registrar of
Co-operative Societies,
Office of the Joint Registrar
of Co-operative Societies,
Chinna Chokkikulam,
Madurai – 625 002.

... Respondents 2 & 3 /
Respondents 1 & 3

Prayer: Writ Appeal filed under Clause 15 of Letters Patent to set aside the order passed by the Hon'ble Judge in W.P(MD)No.13057 of 2015 dated 25.08.2020.

For Appellants : Mr.D.Shanmugaraja Sethupathi

For Respondents : Mr.M.Ashokkumar for R.1

Mr.A.Baskaran
Additional Government Pleader
for R.2 & R.3

JUDGMENT

(Judgment of the Court was made by G.R.Swaminathan J.)

Heard both sides.

2.Thiru.V.Ramanathan / the writ petitioner herein was employed in the appellant co-operative Society. He reached the age of superannuation on 28.02.2007. The employer withheld a sum of Rs.1,00,000/- (Rupees



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One Lakh only) from the gratuity payable to the employee. This was because one S.Pethuraj had availed consumer loan on 08.05.1995 and the writ petitioner appears to have guaranteed the said loan. Since S.Pethuraj failed to repay the loan, the Society withheld a sum of Rs.1,00,000/- (Rupees One Lakh only) from the gratuity payable to the employee in order to make good the loss on account of such non-repayment.

3.Challenging the same, Thiru.V.Ramanathan filed revision petition before the Joint Registrar of Co-operative Society, Madurai Region. The Joint Registrar vide order dated 15.03.2010 confirmed the order of the Special Officer withholding the said amount. Aggrieved by the same, the employee filed review petition before the Government. The Government vide G.O(Ms)No.61 Co-operation, Food and Consumer Protection Department dated 17.04.2015 dismissed the review. Challenging the same, W.P(MD)No.13057 of 2015 was filed. The learned single Judge vide order dated 25.08.2020 quashed the order passed by the Government and allowed the writ petition. The employer was directed to pay the balance sum of Rs.1,00,000/- (Rupees One Lakh only) to the writ petitioner. Aggrieved by the same, the employer has filed this writ appeal.



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3.The order of the learned single Judge has to be sustained by invoking Section 13 of the Payment of Gratuity Act, 1972. The said provision reads as follows:

“13.Protection of gratuity.

No gratuity payable under this Act and no gratuity payable to an employee employed in any establishment, factory, mine, oilfield, plantation, port, railway company or shop exempted under section shall be liable to attachment in execution of any decree or order of any civil, revenue or criminal court.”

4.In the case on hand, no formal order for recovery of a sum of Rs. 1,00,000/- (Rupees One Lakh only) was ever passed against the employee. No disciplinary action was taken. Therefore, even if the employer is armed with such an order, the gratuity amount cannot be withheld in view of the protection afforded under the aforesaid statutory provision. In this view of the matter, the order passed by the learned single Judge is sustained.

5.This Writ Appeal stands dismissed. The dismissal of this writ appeal will not preclude the employer from taking action, in the manner known to law, for recovery of the loss caused to them on account of non-



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repayment of the loan by S.Pethuraj. No costs. Consequently, connected

miscellaneous petition is closed.

[G.R.S., J.] [R.K.M, J.]
03.12.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes/ No
MGA

To

- 1.The Secretary to Government,
Cooperation, Food and Consumer
Protection Department,
Government of Tamil Nadu,
Chennai.
- 2.The Joint Registrar of
Co-operative Societies,
Office of the Joint Registrar
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Chinna Chokkikulam,
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