



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29-01-2026

CORAM

THE HON'BLE MR JUSTICE M.DHANDAPANI

WP No. 2466 of 2026

and

WMP No. 2719 of 2026

The Managing Director
The Pondicherry Co-operative
Urban Bank Ltd,
Jawaharlal Nehru Street,
Puducherry 605 001

..Petitioner(s)

Vs

1. Union of India rep by
The Chief Secretary to Government,
Chief Secretariat, Goubert Avenue,
Puducherry 605 001
2. The Registrar of Co-operative Societies
Co-operative Department,
Puducherry 605 009



3. The Managing Director
The Pondicherry Co-operative,
Spinning Mill, Thirubuvanai,
Kandamanagalam (VIA),
Pondicherry 605 102

4. The Drawing and Disbursing Officer (DDO)
The Pondicherry Co-operative,
Spinning Mill, Thirubuvanai,
Kandamanagalam (VIA),
Pondicherry 605 102

..Respondent(s)

Writ Petition is filed under Article 226 of Constitution of India to issue a Writ of Mandamus, directing the Respondents to consider the demand statement dated 22.12.2025 filed before the 3rd respondent and to deduct the monthly loan instalments and the accumulated arrears amounting to Rs. 1,80,73,162.00/- (as on December 2025, plus further interest till date of recovery) from the salaries / retirement benefits of the 79 defaulting employees, in terms in suitable instalments.

For Petitioner(s): Mr.P.Suresh

For Respondent(s): Mrs.Sharatha Vivek
Additional Government Pleader



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ORDER

This petition has been filed seeking a direction to the Respondents to consider the demand statement dated 22.12.2025 filed before the 3rd respondent and to deduct the monthly loan instalments and the accumulated arrears amounting to Rs. 1,80,73,162.00/- (as on December 2025, plus further interest till date of recovery) from the salaries / retirement benefits of the 79 defaulting employees, in terms in suitable instalments.

2.The case of the petitioner is that the petitioner, a registered Co-operative Bank under the Pondicherry Cooperative Societies Act, 1972, has advanced loans to 79 employees of the Respondent Pondicherry Cooperative Spinning Mills Ltd., Puducherry on the strength of salary deduction undertakings executed by the borrowers and countersigned by the respondents' Drawing & Disbursing Officer (DDP). Despite repeated repeated demands, including letters and the Demand Statement dated 22.12.2025, the respondents have failed to deduct the monthly instalments and arrears from the salaries of the said employees and remit the same to the petitioner, in blatant violation of Section 45(1) of the Pondicherry Co-operative Societies, Act 1972. The non-compliance has resulted in the loans becoming Non-Performing Assets (NPAs) with an outstanding amount of Rs.1,80,73,162/- which is a public money, as on



December 2025, causing severe financial prejudice to the petitioner Bank as well as the general public. Hence the present writ petition has been filed.

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3. The learned counsel for the petitioner would submit that this Court may issue a direction to the respondents to deduct the amount from the salaries of the borrowers and remit the same to the petitioner Bank. Accordingly, he prayed for appropriate orders.

4. However, the learned Additional Government Pleader appearing for the respondents would submit that the dispute raised in the present writ petition cannot be entertained by this Court under Article 226 of Constitution of India and that the same has to be ventilated only before the Registrar of Cooperative Societies, in terms of Section 84 of Puducherry Co-operative Societies Act. Accordingly, he prayed for appropriate orders.

5. Considering the facts and circumstances of the case, the 1st respondent is directed to refer the dispute between the petitioner and the 3rd and 4th respondents to the 2nd respondent within a period of two weeks from the date of receipt of a copy of this order. Upon such reference, the 2nd respondent is directed to resolve the dispute between the petitioner and the 3rd and 4th respondents within a further period of twelve weeks.



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6. With the above direction, this Writ Petition stands disposed of. No costs. Consequently, connected miscellaneous petition is closed.

29-01-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

UMA

To

1. The Chief Secretary to Government,
Chief Secretariat, Goubert Avenue,
Puducherry 605 001
2. The Registrar of Co-operative Societies
Co-operative Department,
Puducherry 605 009
3. The Managing Director
The Pondicherry Co-operative,
Spinning Mill, Thirubuvanai,
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4. The Drawing and Disbursing officer (DDO)
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M.DHANDAPANI J.

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