



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-01-2026

CORAM

THE HONOURABLE MR.JUSTICE V. LAKSHMINARAYANAN

WP No. 4766 of 2012

1.R.Kuppusamy (Died)
2.Saraswathi
3.Jothilakshmi
4.Srinivasan,
[P2 to P4 are substituted as LR's of deceased
P1 vide order dated 11.11.2025 made in
WMP.23495/2021 in WP.4766/2012]

Petitioner(s)

Vs

1.The Deputy Registrar of Coop.
Societies / District Registrar,
Vellore District Central Coop. Bank,
At Arcot, Vellore District.

2.The Special Officer,
C.2059 Kalavai Primary Agricultural
Co-op. Bank, Agaram Road, Kalavai,
Arcot Taluk, Vellore District.

Respondent(s)

PRAYER

Writ Petition has been filed under Article 226 of the Constitution of India to issue writ of Certiorari, calling for the entire records relating to the impugned order passed by the 1st respondent in his proceedings C.E.P/A.R.C.No.31/2006-2007, dated 09.02.2012 and quash the same.



For Petitioner(s): Ms.Dharani
For Mr.C.Prakasam
For Respondent(s): Agp (co-op) For R1
M/s.P.S.Sivashanmuga Sundaram
K.Arun Babu For R2

ORDER

Heard Ms.Dharani, learned counsel for Mr.C.Prakasam, learned counsel for the petitioner, and Mr.K.Tamilvendan, learned Government Advocate appearing on behalf of the 1st respondent. Mr.K.Arun Babu, learned counsel appearing for the 2nd respondent.

2. The deceased sole writ petitioner was working as a Salesman with the 2nd respondent. He was employed there from 1980 till 2006. He was terminated from service on account of certain shortages in the finance of the 2nd respondent. The shortage was to an extent of Rs.51,260/-.

3. Subsequently, the Bank, on the basis of the proceedings initiated, passed an order directing the petitioner to pay the aforesaid amount. The petitioner did not pay the amount immediately. Interest started running on this figure and by the time the petitioner paid the amount of Rs.75,700/- on 24.02.2011, the demand had increased multifold.



4. When the matter came up for hearing, Mr.K.Arun Babu reported that despite the payment of Rs.75,700/-, a balance of Rs.1,66,411/- was due and payable. This was on account of the fact the principal amount due was being charged at the rate of 15% per annum. Taking note of these submissions, I pointed out to Mr.K.Arun Babu that the liability of the petitioner could be scaled down, pursuant to a beneficial order issued by the Government, which reduced the rate of interest on surcharge orders. I called upon Mr.K.Arun Babu to produce the said Government order and also the amount due, when calculated, as per the order passed by the Government.

5. When I took up the matter today, Mr.K.Arun Babu produced the circular issued by the Registrar of Co-operative Societies in Circular No.5 of 2024 dated 02.03.2024. In terms of this order, the Registrar has directed that, while passing surcharge orders, the appropriate authority should fix the interest at a rate not exceeding the highest lending rate fixed for extending non-agricultural advances by the State Level Committee of the Apex Banks

6. According to Mr.K.Arun Babu, the rate of interest that has been fixed by the State Level Committee is 12%. Hence, there shall be a direction to the writ petitioners to calculate interest at the rate of 12% on Rs.51,260/- and remit



the balance within a period of eight (8) weeks from today. If the amount of Rs.51,260/- calculated at the rate of 12% is paid to the 2nd respondent/Bank, the Bank shall issue a no objection certificate to the writ petitioners. For a period of eight weeks, the proceedings impugned shall stand deferred. The Bank shall give credit to the amounts already paid by the deceased sole writ petitioner, while arriving at the figure.

7. With the above directions, the Writ Petition stands disposed of. No costs.

06-01-2026

Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No

Jeni



To
WEB COPY

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V.LAKSHMINARAYANAN J.

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