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W.A.No.1407 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.02.2026

CORAM:

THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM
AND
THE HONOURABLE MR.JUSTICE C.KUMARAPPAN

W.A.No.1407 of 2023
and
C.M.P.Nos.13743 & 13744 of 2023

K.Jayasankar, Secretary,
Thiruvalluvar Transport Corporation
Employees Co-operative Credit Society,
No.10, 23rd Street, Jai Nagar,
Arumbakkam, Chennai – 600 106.

...Appellant

Vs.

1.M.Saleem

2.M/s.State Express Transport Corporation Ltd.,
Rep. by its Managing Director,
No.2, Pallavan Salai, Chennai – 600 002.

...Respondents

PRAYER: The Writ Appeal filed under Clause 15 of the Letters Patent praying to set aside the order dated 22.03.2022 passed in W.P.No.4916 of 2018 and to allow the Writ Appeal.

For Appellant : Mr.C.S.K.Sathish

For Respondents : No appearance.



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J U D G M E N T

(Judgment of the Court was delivered by S.M.SUBRAMANIAM, J.)

Under assail is the Writ order dated 22.03.2022 passed in W.P.No.4916 of 2018.

2. The Secretary of the Thiruvalluvar Transport Corporation Employees Co-operative Credit Society instituted the present intra-Court appeal under Clause 15 of the Letters Patent mainly on the ground that an agreement came to be entered into between the employer and the Society in respect of recovery of loan dues from the employee and the said undertaking since not complied, action was initiated. The borrower/ member of the Co-operative Society instituted Writ proceedings seeking the relief to forbear the Co-operative Society and there Subordinates from recovering not more than Rs.8,105/- towards monthly instalment from the loan obtained by the borrower from the Co-operative Society. The writ Court since allowed the Writ Petition, the present Writ Appeal came to be instituted by the Society.

3. The writ Court has not considered the direct provision contemplated under Section 60 of the Multi State Co-operative Societies Act, 2002 [hereinafter referred to as "the Act"]. Once the employee, who is a member of the Co-operative Society entered into an agreement and thereby agreeing to recover the loan dues from the salary and such amount of monthly instalment must be recovered by the employer and to be deposited to the Co-operative Society. Section 60 of the Act is extracted



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hereunder:--

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60. Deduction from salary to meet multi-state cooperative society's claim in certain cases

(1) Notwithstanding anything contained in any law for the time being in force, a member of a multi-state cooperative society may execute an agreement in favour of that society providing that his employer disbursing the salary or wages shall be competent to deduct every month from the salary or wages payable to him, such amount as may be specified in the agreement and to pay the amount so deducted to the society in satisfaction of any debt or other demand the member owes to the society.

(2) On the execution of such agreement, the employer disbursing the salary or wages of the members shall, if so required by the multi-state cooperative society, by a requisition in writing and so long as the society does not intimate that the whole of such debt or other demand has been paid, make the deduction in accordance with the agreement and pay the amount so deducted to the society within a period of fourteen days of the date on which deduction has been made, as if it were a part of the salary or wages payable on the day as required under the Payment of Wages Act, 1936 (4 of 1936), and such payment shall be valid discharge of the employer for his liability to pay the amount deducted.



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(3) If after the receipt of a requisition made under sub-Section (2), the employer disbursing the salary or wages of the member at any time fails to deduct the amount specified in the requisition from the salary or wages payable to the member concerned or makes default in remitting the amount deducted to the multi-state cooperative society, the society shall be entitled to recover any such amount from such employer as arrears of land revenue and the amount so due from such employer shall rank in priority in respect of the liability of such employer equal to that of the salary or wages in arrears.

4. In the present case, admittedly an agreement was entered into between the employer and the Co-operative Society with the consent of the employee, who is the borrower. In the presence of the said agreement, Section 60 of the Act would directly apply to the employer to recover the loan dues and deposit the same in favour of the Co-operative Society. Therefore, the petitioner is entitled to recover the loan dues through the employer based on the agreement entered into between the Co-operative Society and the employer concerned.

5. The learned counsel for the appellant would submit that the loan dues were already recovered from the 1st respondent / employee. However, the writ Court has directed the Society to re-pay the amounts already recovered, which, in the opinion of this Court, is not in consonance with Section 60 of the Multi State Co-operative Societies Act.



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6. Thus the impugned writ order dated 22.03.2022 in W.P.No.4916 of 2018 is set aside and the Writ Appeal is **allowed**. No costs. Consequently, the connected miscellaneous petitions are closed.

(S.M.S., J.) (C.K., J.)
04.02.2026

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

To

The Managing Director,
M/s.State Express Transport Corporation Ltd.,
No.2, Pallavan Salai, Chennai – 600 002.



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S.M.SUBRAMANIAM, J.
and
C.KUMARAPPAN, J.

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