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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05-11-2026

CORAM

THE HON'BLE MR.JUSTICE K. SURENDER

WP No. 45518 of 2026

CNR:{HCMA012682042026}

AND

WMP NO. 51091 OF 2026

Case QR

1. M. Indirani
   W/o Murugaraj,
   Tharapuram Post, kadayampatti Taluk,
   Salem District.

2. P.Natrajan
   S/o Rami Chetty, Chettiyar Street,
   Tharapuram Village and Post,
   Kadayampatti Taluk,
   Salem District

..Petitioner(s)

Vs

1. The joint Registrar of Co-operative societies
   Collectorate complex,
   4th Floor, Room No 450,
   Salem 636 001.

2. The Deputy Registrar of Co-operative societies
   Omalur Circle, Omablur,
   Salem District

3. The administrator
   S. 8541 Thatiampatti primary Agricultural
   Co-operative society Ltd,
   Sikkampatti, Omalur Taluk,
   Salem District

..Respondent(s)

PRAYER : Writ Petition filed under Article 226 of the Constitution of India, praying for writ of mandamus directing the respondents herein to consider the

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petitioners representations dated 27.10.2026 and 23.10.026 respectively and pass orders reducing the exorbitant rate of interest fixed for surcharged amount from 17 percent per annum to the reasonable rate of interest at 6 percent per annum so as to enable the petitioners to remit the surcharge amount of Rs. 31,70,714/- in full with reasonable rate of interest at 6 percent per annum and till then direct the respondents to desist from conducting the auction sale of the properties of petitioners herein on 12.11.2026 and 19.11.2026 or any other subsequent dates pursuant to the Sale Notice dated 09.10.2026 issued by the 2nd respondent herein.

For Petitioner(s): Mr.R.Thamaraiselvan

For R1 & R2: Mr.V.Sivalingam,
Government Advocate

For R3: Mr.P.S.Sivashanmugasundaram

Order

This writ petition has been filed seeking a direction to the respondents to consider the petitioners representations dated 27.10.2026 and 23.10.2026, and consequently reduce the rate of interest levied on the surcharge amount of Rs. 31,70,714/- from 17% per annum to a reasonable rate of 12% per annum.

2. The petitioners are retired employees of the Thathiampatti Primary Agricultural Co-Operative Society who were held jointly liable under a 2008 surcharge order to pay Rs. 31,70,714/- for society losses at an interest rate of 17% per annum. Due to this high rate, the debt has increased to Rs. 96,96,940.55/-, and the department has issued notices to auction their

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personal properties on 12.11.2026 and 19.11.2026. The petitioners are senior citizens aged 61 and 77 years respectively, who do not have any other independent source of income and are willing to clear the principal liability by selling their properties, provided the interest rate is scaled down to a reasonable rate.

3. The learned counsel for the petitioners placed strong reliance on the Division Bench judgment of this Court in C.R.P. No. 2433 of 2013 dated 19.04.2017, which settled the legal position that the Co-operative Tribunal and competent authorities possess absolute discretion to award interest at any reasonable rate. Reference was also made to parallel decisions in ***CRP(MD) No. 1175 of 2022 (E.S. Sundramagalingam v. The Deputy Registrar) and CRP(MD) No. 1572 of 2024 (Poomalai v. The Deputy Registrar),*** wherein this Court routinely reduced penal cooperative interest rates to a uniform 12% per annum.

4. Taking into consideration the advanced age of the petitioners and their bonafide undertaking to settle the account, and following the *ratio decidendi* established by the Co-ordinate benches of this Court in identical circumstances, this Court is of the view that levying 17% interest per annum is on the higher side and needs to be modified to subserve the ends of justice.

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5. Accordingly, this writ petition is disposed of with the following directions: The rate of interest levied on the principal surcharge amount of Rs. 31,70,714/- is hereby reduced from 17% per annum to 12% per annum. The petitioners shall pay the reduced amount within a period of two weeks from the date of receipt of a copy of this order. Meanwhile, the proposed auction shall not be finalized and in the event of the petitioners paying the entire amount within the stipulated time, the respondent authorities shall act upon the same accordingly. Consequently, connected miscellaneous petition is closed. No costs.

K.SURENDER J.
05-11-2026

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

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To,

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