



W.A(MD) No.1210 of 2021

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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Date : 17.04.2026

CORAM

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
AND
THE HONOURABLE MS.JUSTICE R.POORNIMA**

W.A(MD) No.1210 of 2021
&
C.M.P.(MD)No.5115 of 2021

The Senior Manager,
Pandyan Grama Bank,
Personnel Administration Department,
No.2-70-1, Collectorate Complex,
Virudhunagar-626 002,
(Now Tamil Nadu Grama Bank
No.6, Yercaud Road, Hasthampatti,
Salem 636 007)

... Appellant / Respondent

Vs.

V.Valliappan

... Respondent / writ petitioner

PRAYER: Writ Appeal filed under Clause 15 of the Letters Patent
praying this Court to allow the writ appeal and set aside the order dated
27.01.2021 in W.P.(MD)No.11244 of 2011.



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For Appellant : Mr.K.Srinivasa Murthy
for Mr.M.P.Senthil

For Respondent : Mrs.D.Geetha

JUDGMENT

(Judgment of the Court was made by **G.R.SWAMINATHAN, J.**)

The Bank Management is on appeal questioning the order dated 27.01.2021 passed by the learned Single Judge allowing W.P.(MD)No. 11244 of 2011 filed by the respondent herein.

2. The respondent herein was an employee of the appellant Bank. He retired from service on 30.06.2009. On the eve of his retirement, while computing his leave encashment, an erroneous computation was made and instead of reckoning the respondent's privilege leave as 66 days, it was wrongly noted as 166 days and the encashment was accordingly made. This mistake was noted almost two years later. Vide communication dated 27.08.2011, the writ petitioner was called upon to pay the excess payment of Rs.60,914.75/-. The learned Single Judge quashed the said recovery order by applying the principle laid down in ***White Washer's case [(2015) 4 SCC 334]***.



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3. Even though the learned standing counsel for the appellant Bank made a valiant attempt to demonstrate that the recovery was in order, we are not convinced. The Honourable Supreme Court in ***White Washer's case*** had envisaged five situations, in which, recovery is impermissible. Paragraph No.12 of the Judgment reads as follows:-

“12. It is not possible to postulate all situations of hardship, which would govern employees on the issue of recovery, where payments have mistakenly been made by the employer, in excess of their entitlement. Be that as it may, based on the decisions referred to herein above, we may, as a ready reference, summarise the following few situations, wherein recoveries by the employers, would be impermissible in law:

(i) Recovery from employees belonging to Class-III and Class-IV service (or Group 'C' and Group 'D' service).

(ii) Recovery from retired employees, or employees who are due to retire within one year, of the order of recovery.

(iii) Recovery from employees, when the excess payment has been made for a period in excess of five years, before the order of recovery is issued.

(iv) Recovery in cases where an employee has wrongfully been required to discharge duties of a higher post, and has been paid accordingly, even though he should have rightfully been required to work against an inferior post.



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(v) In any other case, where the Court arrives at the conclusion, that recovery if made from the employee, would be iniquitous or harsh or arbitrary to such an extent, as would far outweigh the equitable balance of the employer's right to recover.

4. The case on hand would fall within the ambit of Clause (ii) ie., recovery from a retired employee. Admittedly, the writ petitioner was an retired employee, when the recovery order was passed. The learned Single Judge rightly quashed the recovery order. Hence, interference is not called for. However, we clarify that allowing the writ petition should only be taken as quashing the recovery order and not granting any other relief sought for by the writ petitioner.

5. This Writ Appeal is dismissed with the aforesaid observations. No costs. Consequently, connected miscellaneous petition is closed.

(G.R.S., J.) (R.P., J.)
17.04.2026

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