



W.P(MD)No.11494 of 2022

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 29.06.2026

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.11494 of 2022

and

W.M.P(MD)No.8152 of 2022

The President,
R-1571 Thirupparaithurai Primary Agricultural
Co-Operative Credit Society Limited,
Thirupparaithurai Post,
Srirangam Taluk,
Trichirappalli District.

... Petitioner

Vs

R.Ramakrishnan

... Respondent

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records relating to the impugned order passed in C.P.No.1 of 2013 by the learned Labour Court, Trichy and quash the same as illegal.



W.P(MD)No.11494 of 2022

WEB COPY

For Petitioner : Mr.P.Mahendran

For Respondent : Mr.S.Arunachalam

: Mr.J.Senthil Kumaraiah (Mediator)

ORDER

Challenging the award passed by the Labour Court, Tiruchirappalli, in C.P.No.1 of 2013, dated 13.09.2021, the petitioner has filed the present Writ Petition.

2.The learned counsel appearing for the petitioner Management submitted that the petitioner Society is a Co-operative Society registered under the provisions of the Tamil Nadu Co-operative Societies Act. The respondent was employed as a Secretary in the petitioner Society and retired from service on 30.04.2006 on attaining the age of superannuation.

3.It is the case of the petitioner that, during the course of his service, the respondent committed several irregularities in the disbursement



W.P(MD)No.11494 of 2022

WEB COPY

of loans to the members of the Society. Consequently, he was placed under suspension with effect from 10.12.1997 and was subsequently reinstated in the year 2000. Alleging irregularities and misappropriation on the part of the respondent, the petitioner Society also lodged a complaint before the law enforcement authorities. While the criminal proceedings were pending, the respondent attained the age of superannuation on 30.04.2006.

4. Thereafter, the respondent filed a Computation Petition under Section 33-C(2) of the Industrial Disputes Act, 1947, in C.P.No.21 of 2009 on the file of the Labour Court, Tiruchirappalli. The said Computation Petition was allowed, directing the petitioner Management to pay a sum of Rs.1,69,400/- to the respondent, which amount was duly disbursed by way of two cheques.

5. According to the petitioner, while passing the final order in the disciplinary proceedings, the period of suspension was adjusted against the earned leave standing to the credit of the respondent. Therefore, the



W.P(MD)No.11494 of 2022

WEB COPY

respondent is estopped from claiming earned leave salary once again. It is further submitted that the petitioner Society issued a demand notice dated 23.07.2021 in Form No.29 read with Rule 69(2) of the Tamil Nadu Co-operative Societies Rules, 1988, seeking recovery of a sum of Rs. 4,30,681/- from the retirement benefits payable to the respondent.

6.Subsequently, the respondent filed another Computation Petition in C.P.No.1 of 2013 before the Labour Court, Tiruchirappalli, claiming his terminal retirement benefits. By the impugned award dated 13.09.2021, the Labour Court directed the petitioner Society to pay a sum of Rs.10,23,643/- to the respondent. Challenging the said award, the present Writ Petition has been filed.

7.The learned counsel appearing for the petitioner Management fairly submitted that the petitioner Management is liable to disburse the admitted amount of Rs.10,23,643/- to the respondent, since no punishment had been imposed on the respondent during his service and the criminal case



W.P(MD)No.11494 of 2022

WEB COPY

also ended in acquittal. It is further submitted that no departmental proceedings were pending against the respondent on the date of his retirement. However, the grievance of the petitioner is only with regard to the direction issued by the Labour Court awarding interest at the rate of 12% per annum. Aggrieved by the said direction, the present Writ Petition has been filed.

8.The learned counsel appearing for the petitioner Management submitted that this Court may fix a reasonable rate of interest payable on the amount awarded to the respondent. He further submitted that the respondent had availed a thrift loan from a sister Co-operative Society to the tune of Rs. 83,988/-, in respect of which an award dated 27.02.2006 had been passed, and the said award has attained finality, as no appeal was preferred by the respondent. Therefore, the petitioner Society may be permitted to deduct the said sum of Rs.83,988/- together with reasonable interest from the retirement benefits payable to the respondent and disburse the balance amount. Accordingly, he prayed for appropriate orders. In this regard,



W.P(MD)No.11494 of 2022

WEB COPY

Mr.Kulanthaivelu, Secretary, R-1571, Thirupparaithurai Primary Agricultural Co-operative Credit Society Limited, Thirupparaithurai Post, Srirangam Taluk, Tiruchirappalli District, who is present before this Court, submitted that the petitioner Society has no objection to the reduction of the rate of interest.

9.The learned counsel appearing for the respondent fairly submitted that the respondent has no serious objection to the reduction of the rate of interest awarded by the Labour Court or to the deduction of the loan amount due to the petitioner Society, together with reasonable interest, from the retirement benefits payable to him.

10.In view of the consensus arrived at between the parties and the submissions made by their respective learned counsel, the Writ Petition is disposed of on the following terms, and the award of the Labour Court is modified accordingly:



W.P(MD)No.11494 of 2022

WEB COPY

“The petitioner Management is directed to pay a sum of Rs.10,23,643/- to the respondent together with interest at the rate of 8% per annum from 27.09.2012 till the date of payment, after deducting a sum of Rs.83,988/- together with interest at the rate of 9% per annum from 27.02.2006 till the date of deduction. The balance amount shall be disbursed to the respondent within a period of six (6) weeks from the date of receipt of a copy of this order.”

There shall be no order as to costs. Consequently, the connected Miscellaneous Petition is closed.

29.06.2026

NCC : Yes / No
Index : Yes / No
ps

To

The Labour Court,
Trichy.



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W.P(MD)No.11494 of 2022

M.DHANDAPANI, J.

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W.P(MD)No.11494 of 2022

29.06.2026