



W.P(MD)No.19048 of 2026

WEB COPY **BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

DATED: 08.07.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.19048 of 2026
and
WMP (MD) No.14088 of 2026

R.Senthilkumar

... Petitioner

Vs

1. The Joint Registrar/Managing,
Director, Madurai District Central
Cooperative Bank Ltd,
Madurai.

2. The Deputy Registrar,
Office of the Deputy Registrar of
Cooperative Societies,
Madurai Circle,
Madurai.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus to call for the records in pursuant to the Impugned Order of Recovery issued by the second

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respondent in his proceedings C.E.P.No. 70/2024-2025 SF, dated 21.07.2025 and quash the same and consequently direct the respondents to reimburse the recovery amount with interest.

For Petitioner : Mr. M.Saravanakumar

For R1 : Mr.D.Shanmugaraja Sethupathi

For R2 : Mr.R.Ramasamy, Counsel for State

ORDER

This Writ Petition has been filed challenging the Order of Recovery issued by the second respondent in his proceedings C.E.P.No. 70/2024-2025 SF, dated 21.07.2025 and quash the same and consequently direct the respondents to reimburse the recovery amount with interest.

2.Heard Mr.M.Saravanakumar, learned counsel appearing for the petitioner; Mr.D.Shanmugaraja Sethupathi, learned counsel appearing for the first respondent and Mr.R.Ramasamy, learned Counsel for the State, who accepts notice on behalf of the second respondent.



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3. By consent of both parties, the Writ Petition is taken up for final disposal at the stage of admission itself.

4. The case of the petitioner is that the petitioner was initially appointed as Sub Staff in the first respondent Co-operative Society on compassionate grounds in the year 1998. Thereafter, he was brought under the regular time scale of pay and was subsequently promoted as Assistant Manager. While the petitioner was serving as Assistant Manager, certain loans advanced to Women Self-Help Groups were allegedly not recovered and certain financial irregularities were noticed. Based on the said allegations, an enquiry under Section 81 of the Tamil Nadu Co-operative Societies Act was ordered. Thereafter, surcharge proceedings under Section 87 of the Act were initiated, culminating in an order passed in S.C.No.4 of 2023 directing the petitioner to pay a sum of Rs.20,78,895/-. Aggrieved by the surcharge order, the petitioner preferred an appeal in C.M.A. (CS) No.21 of 2023 before the learned Principal District Judge, Madurai/Co-operative Appellate Tribunal. The said appeal is stated to be pending consideration. In the meanwhile, the petitioner was also subjected to departmental proceedings, wherein the punishment of stoppage of increment for one year with



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cumulative effect came to be imposed. Thereafter, the second respondent issued the impugned recovery proceedings dated 21.07.2025 under Rule 122 of the Tamil Nadu Co-operative Societies Rules, 1988, seeking recovery of the surcharge amount. Challenging the said recovery proceedings, the present writ petition has been filed before this Court.

5. The learned counsel appearing for the petitioner would submit that when the surcharge order itself is under challenge before the Co-operative Tribunal in C.M.A. (CS) No.21 of 2023, initiation of recovery proceedings based on the very same surcharge order is premature. According to the learned counsel, if the recovery proceedings are permitted to continue during the pendency of the statutory appeal, the appeal itself would be rendered infructuous. Therefore, he prayed that the impugned recovery proceedings be quashed.

6. Per contra, the learned counsel appearing for the first respondent would submit that the petitioner has not obtained any interim order of stay in C.M.A. (CS) No.21 of 2023. In the absence of any order of stay, there is no legal impediment for the respondents to proceed with the recovery pursuant to the



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surcharge order. He would further submit that the petitioner has been dragging on the appellate proceedings and the impugned proceedings have been issued strictly in accordance with Rule 122 of the Tamil Nadu Co-operative Societies Rules, 1988 and therefore, no interference is called for. Accordingly, he prayed for appropriate orders.

7. I have considered the submissions made on either side and perused the materials available on record.

8. Admittedly, the surcharge order passed in S.C.No.4 of 2023 is the subject matter of challenge before the Co-operative Tribunal in C.M.A. (CS) No. 21 of 2023 and the appeal is still pending. It is equally not in dispute that the petitioner has not obtained any interim order staying the operation of the surcharge order. Mere pendency of a statutory appeal does not, by itself, operate as a stay of the order under challenge. Unless the appellate authority grants interim protection, the order appealed against continues to remain valid and enforceable.



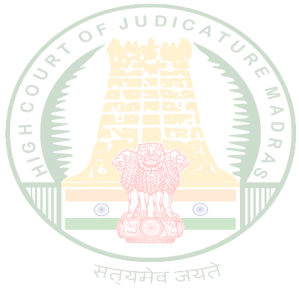
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9. In view of the above, this Court finds no infirmity in the impugned recovery proceedings warranting interference under Article 226 of the Constitution of India. Accordingly, the writ petition stands dismissed. No costs. Consequently, the connected miscellaneous petition is closed.

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NCC : Yes / No
Index : Yes / No
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