



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-04-2026

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THE HONOURABLE MR JUSTICE ABDUL QUDDHOSE

WP No. 12026 of 2026

AND

WMP NO. 13128 OF 2026

1. Bharatharathna Dr.Mgr Mathiya
Perundhu Nilaya Niranthara
Kadaikarargal Nala Sangam,
No.1, new bus stand, salem - 636 004.
Rep. by its president B.K.N.Sulaiman,
S/o.Navab John.

Petitioner(s)

Vs

1. State of Tamilnadu Rep. by its
Principal Secretary to Government,
Municipal Administration and water
supply department, secretariat, Fort
St.George, chennai - 600 009.

2.The Commissioner of Municipal
Administration,
santhome, chennai - 600 028.

3.The Commissioner,
Salem municipal corporation, salem -
636 001.

Respondent(s)

PRAYER

Forbearing the respondents from imposing penal interest for payment of lease rent within time for the completed months and from calculating penal interest at the flat rate of 12 percentage of the lease rent and consequently directing the respondents to reconsider the representation submitted by the petitioner association dated 06.02.2026 and withdraw the exorbitant penal interest imposed for the delay in payment of lease rent, within such time as may be fixed by this Court.



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For Petitioner(s): Mr. G. Sankaran
Senior Counsel for
Mr. J. Jayamalan

For Respondent: Dr. T. Seenivasan, learned
Special Government Pleader for
R1 and R2

Ms. N. Devi
Standing Counsel for R3

ORDER

This writ petition has been filed to forbear the respondents from imposing penal interest for payment of lease rent to the members of the petitioner Association.

2. According to the petitioner Association, their members are not in arrears of the lease rent payable to the respondents. According to the petitioner Association, arbitrarily and erroneously, by applying G.O. Ms. No.480, Municipal Administration and Water Supply dated 16.12.2025 more particularly Rule 2 (b) of the said G.O., the respondents are now levying penalty on the members of the petitioner Association, though the members of the petitioner's Association are not in arrears of any lease rent.

3. The petitioner had given a representation on 06.02.2026 to the respondents, requesting them to not impose penalty interest as per the G.O. Ms. No.480, Municipal Administration and Water Supply dated 16.12.2025.

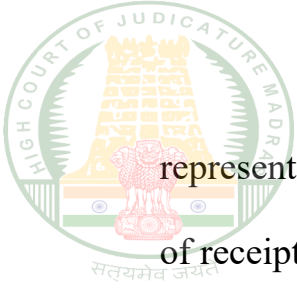


According to the petitioner, the penalty interest at the rate of 12% on license fee, lease rent or rent that is not paid within the prescribed date and is due, does not get attracted to the case of the members of the petitioner Association, who according to the petitioner Association have paid the lease rent to the respondents without committing any default. According to the petitioner Association, their members, who have paid lease rent at the end of the completed month cannot be penalized by levying penal interest by applying G.O. Ms. No.480, Municipal Administration and Water Supply dated 16.12.2025.

4. No prejudice would be caused to the respondents if the petitioner's representation as stated supra is considered on merits and in accordance with law within a time frame to be fixed by this Court.

5. This Court is not expressing any opinion on the merits of the petitioner's representation.

6. For the foregoing reasons, this Court directs the third respondent to pass final orders on merits and in accordance with law on the petitioner's representation dated 06.02.2026, seeking to forbear the respondents from imposing penal interest at the rate of 12% on the members of the petitioner Association after affording one personal hearing to the authorised



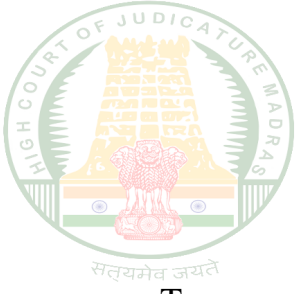
representatives of the petitioner within a period of twelve weeks from the date of receipt of a copy of this order.

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7. Accordingly, this writ petition is disposed of. No Costs. Consequently, connected miscellaneous petition is closed.

01-04-2026

Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No
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ABDUL QUDDHOSE J.

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