



W.A.No.2969 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31.10.2023

CORAM :

THE HON'BLE MR.SANJAY V.GANGAPURWALA, CHIEF JUSTICE
AND

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

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1.The Chairman,
Tamil Nadu Housing Board,
No.493, Anna Salai,
Nandanam, Chennai-600 035.

2.The Executive Engineer,
Tamil Nadu Housing Board,
Salem Housing Unit,
Salem-636 008.

.. Appellants

Vs

J.Shankar

.. Respondent

PRAYER : Appeal under Clause 15 of the Letters Patent against the order dated 10.11.2022 in W.P.No.34465 of 2014 passed by the learned Single Judge.

For the Appellants

: Mr.R.Shunmugasundaram
Advocate-General
and Ms.A.G.Shakeenaa
assisted by
Mr.D.Veerasekaran



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For Respondent : Mr.V.Subramanian

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JUDGMENT
(Delivered by the Hon'ble Chief Justice)

Heard Mr.R.Shunmugasundaram, learned Advocate-General and Ms.A.G.Shakeenaa, learned counsel, assisted by Mr.D.Veerasekaran, learned counsel for the appellants; and Mr.V.Subramanian, learned counsel for the respondent.

2. The appeal is filed against the order of the learned Single Judge directing refund of an amount of Rs.22.88 lakh with interest at the rate of 6% per annum.

3. Learned Advocate General appearing on behalf of the appellants submits that, in fact, the tender conditions contain a provision for forfeiture of the amount if the party fails to deposit the amount. The respondent/original petitioner was declared as a successful bidder. He did not pay the amount within the time



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stipulated. Twice opportunity was given to the respondent/ original petitioner, but he did not pay the amount. As such the amount is forfeited. The appellants could not have been directed to refund the amount with interest. The appellants are aggrieved by the grant of interest.

4. Learned counsel for the respondent/original petitioner submits that 6% interest is a reasonable interest granted. There was only a small delay on the part of the respondent. The court has passed a reasonable order.

5. We have considered the submissions.

6. The parties were governed by the terms of the contract. One of the terms was of forfeiture of the amount in case the successful bidder did not deposit the amount within the stipulated period.

7. The appellants are ready to refund the amount, however



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without interest.

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8. In view of the terms and conditions of the tender, the present appellants were entitled to forfeit the amount, but have agreed to pay the principal amount. Hence, interest could not have been saddled on the appellants.

9. We, accordingly, modify the order passed by the learned Single Judge and pass the following order:

- (i) The appellants shall refund the amount of Rs.22.88 lakh to the respondent/original petitioner within three weeks from today.
- (ii) In case the appellants do not refund the amount as directed above within three weeks from today, then the said amount shall carry interest at the rate of 6% per annum from the date of deposit till repayment.
- (iii) In case the amount of Rs.22.88 lakh is paid within three weeks, then the appellants are not



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liable to pay interest.

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The writ appeal is disposed of accordingly. There will be no order as to costs. Consequently, C.M.P.No.24630 of 2023 is closed.

(S.V.G., CJ.)

(D.B.C., J.)

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Index : Yes/No
Neutral Citation : Yes/No
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THE HON'BLE CHIEF JUSTICE
AND
D.BHARATHA CHAKRAVARTHY,J.

(sasi)

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