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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22-07-2024

CORAM

**THE HONOURABLE MR.JUSTICE S.M. SUBRAMANIAM
And
THE HONOURABLE MR. JUSTICE C.KUMARAPPAN**

WA No.2820 of2021

Nagapattinam Cooperative House Building
Society Ltd., Z-109, Represented by Secretary,
Having Office at No.6, Neela Sannathi,
Nagapattinam-611 001.

.. Appellant

-VS-

1.The Chairman,
Tamil Nadu Slum Clearance Board,
Chennai-600 005.

2.The Managing Director,
Tamil Nadu Slum Clearance Board,
Chennai-600 005.

.. Respondents

Writ Appeal is preferred under Clause 15 of the Letters Patent against
the order passed by this Court in WP No.13285 of 2016 dated 30.07.2021.

For Appellant : Ms.R.Thenamirtha Shyamala



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For Respondents : Ms.G.Thilagavathi,
Senior Counsel for Mr.B.Balaji,
Standing Counsel for TNUHDB.

J U D G M E N T

[JUDGMENT OF THE COURT WAS DELIVERED

BY S.M.SUBRAMANIAM, J.]

The Intra Court Appeal on hand has been instituted challenging the order dated 30.07.2021 in WP No.13285 of 2016.

2. The writ petitioner is the appellant before us.

3. The appellant-Cooperative Housing Society, admittedly, is the owner of the land in Survey Nos.1229 and 1230 at Nagapatinam Town, Ward No.4, Block No.28, Nagapattinam Town and District to an extent of 43254 sq.ft.

4. During the year 1994, the respondent-Tamil Nadu Slum



Clearance Board (presently Tamil Nadu Habitat Development Board)

obtained permission from the Society to construct multi-storied building consisting 117 houses for the benefit of Slum Dwellers in that locality.

5. Admittedly, the land cost was not paid to the appellant-Society. The dispute arose determining the quantum of land cost to be settled in favour of the appellant-Society.

6. The District Revenue Officer fixed Rs.21.40 per sq.ft. However, determining factors adopted by the District Revenue Officer is not known. The land cost was not determined either under the Land Acquisition Law or under the Cooperative Societies Act or under any other Law applicable. Such fixation was found to be erroneous by the Writ Court and the Writ Court has readopted the guideline value for determining the land cost to be paid by the respondent-Slum Clearance Board to the appellant-Cooperative Society. The land value prevailed as on 01.04.1997 i.e., Rs.58.60 per sq.ft., was directed to be paid by the respondent-Slum Clearance Board to the appellant-Society by the Writ Court.



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7. Ms.G.Thilagavathi, learned Senior Counsel, appearing on behalf of the respondent-Slum Clearance Board would submit that the respondent-Board offered the land cost even in the year 2015 and in the year 2021, which were not received by the appellant-Society.

8. Therefore, at this length of time, the Board cannot be held responsible for belated payment of land cost to the appellant-Society. Moreover, the interest fixed by the Writ Court is also exorbitant.

9. The Cooperative-Housing Society is also an Institution run by the public. The members of the Society are beneficiaries and from and out of their investments, the lands are purchased by the appellant-Society. Therefore, the interest of the members are to be protected.

10. Admittedly, the land was handed over by the Society for construction of tenements in the year 1994. The respondent-Tamil Nadu Slum Clearance Board took possession of the land, constructed tenements



and allotted the same to Slum Dwellers.

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11. That being so, the appellant-Society is entitled for just compensation, which is to be paid. While fixing just compensation in accordance with law, the Land Acquisition Law is to be adopted or the guideline value must be followed. Sine the Land Acquisition Laws are not followed, in the present case, since the appellant-Society willingly handed over the land to the Slum Clearance Board. The Writ Court has rightly adopted the guideline value prevailed as on 01.04.1997, and fixed the compensation of Rs.58.60 per sq.ft., to be paid by the respondent-Slum Clearance Board to the appellant.

12. Therefore, we do not find any infirmity in respect of the methodology adopted by the Writ Court for fixing the compensation. Regarding the interest, we are inclined to reduce the interest rate, since 15% per annum interest will be of higher side. Thus, we direct the respondents herein to pay Rs.58.60 per sq.ft., along with interest at the rate of 6% per annum from the date of taking possession of the land from the appellant-Society in the year 1994 and the said amount is directed to be settled in



favour of the appellant-Society, within a period of eight weeks from the date of receipt of a copy of this order.

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13. With the above directions, the present Writ Appeal stands disposed of. However, there shall be no order as to costs.

(S.M.SUBRAMANIAM,J.) (C.KUMARAPPAN,J.)

22-07-2024

Index : Yes/No
Internet: Yes/No
Speaking order/Non-Speaking order
Neutral Citation : Yes/No
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To

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Chennai-600 005.

2.The Managing Director,
Tamil Nadu Slum Clearance Board,
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