



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31-10-2025

WEB COPY

CORAM

**THE HONOURABLE MR JUSTICE S. M. SUBRAMANIAM
AND
THE HONOURABLE MR.JUSTICE V. LAKSHMINARAYANAN**

WA No. 3018 of 2023

1. The Managing Director
Tamil Nadu Housing Board,
331 Anna Salai Chennai-600 035

2.The Executive Engineer And
Administrative Officer
K.K.Nagar Division
Tamil Nadu Housing Board
C-48 III Floor, II Avenue Anna Nagar
Chennai-600 040

3.The Allottees Service Manager
K.K.Nagar Division
Tamil Nadu Housing Board
C-48 III Floor II Avenue Anna Nagar
Chennai-600 040

Appellant(s)



Vs

1. R.Satyanarayana

S/o.Late R.Manickam Chetty, NO.236,
Govindappannaickar Street,
Chennai-600001

Respondent(s)

PRAYER

To set aside the order made in WP No.23665/2019 dated 26.06.2023 on the file of this Court and allow this WA.

For Appellant(s): Mr.P.S.Raman
Advocate General
asst by
Mr.D.Veerasekaran

For Respondent(s): Mr.C.T.Mohan
Senior Counsel
for Mr.K.Govindan

ORDER

(Order of the Court was made by S.M.Subramaniam J.)

Under assail is the writ order dated 26.06.2023 in WP.No.23665 of 2019.

2. The facts in a nutshell as narrated between the parties would show that a provisional allotment has been issued in favour of the respondent



allotting Plot No. 19 to an extent of 479 sq.m on 02.04.1982, on condition to pay 25% of the total cost.

WEB COPY

3. Payment schedule has been provided in the allotment order issued on 21.08.1982. A condition has been imposed that failure to pay installments would result in cancellation of allotment, and EMD as well as the 25% amount paid by allottee will be forfeited.

4. Monthly installment of Rs.1,183/- for 120 months had been fixed. On 30.04.1986, Tamil Nadu Housing Board handed over possession of the said land to the respondents. As per Clause 7 of the allotment order, an allottee has to construct a building within 3 years. Since the respondent/allottee had committed default in payment of monthly installment and also violated the condition prescribed in Clause 7 that the building must be constructed within a period of 3 years, a show cause notice came to be issued on 08.07.1993 to pay the arrears of monthly installments of R.76,895/-.



WEB COPY

5. Since respondent failed to comply with the conditions stipulated in the allotment order even after receipt of show cause notice, the allotment came to be cancelled by the Executing Engineer, Tamil Nadu Housing Board vide Proceedings, dated 14.09.1993. It is not in dispute that the said order of cancellation remains unchallenged. Subsequent to cancellation, respondent paid a sum of Rs.76,895/- on 24.09.1993 along with an application seeking withdrawal of cancellation order and to extend time to pay the arrears of dues.

6. However, time was extended by Tamil Nadu Housing Board to the respondent till 25.07.2025. Respondent failed to comply with the conditions and remained as a defaulter. That apart, the construction also has not been made. Thus, Tamil Nadu Housing Board brought the said cancelled plot under vacant list for open auction.

7. Respondent was silent for about 16 years from the year 1995 till 30.06.2011, and on that day, he paid a sum of Rs.1,21,894/- to Tamil Nadu Housing Board. The said payment was made voluntarily by respondent. There



WEB COPY

is no proceedings of Housing Board showing that an extension of time was granted or that respondent was provided an opportunity to settle the arrears due to Tamil Nadu Housing Board. Based on the voluntary payment made after 16 years of the cancellation of allotment, respondent submitted an application for revoking the cancellation order dated 14.09.1993. The said application was not considered. However, 13th revocation committee passed a resolution confirming the cancellation of allotment and directed to list the subject plot for public auction. The decision of 13th revocation committee confirming the cancellation of allotment in the year 1993 was communicated to respondent by Executive Engineer and Administrative Officer, KK Nagar Division vide Proceedings, dated 02.07.2019. The said proceeding alone came to be challenged in the writ petition by respondent. It is not in dispute between the parties that neither the cancellation of allotment made in Proceeding, dated 14.09.1993 nor any subsequent actions are under challenge in the writ proceedings.

8. The Writ Court since allowed the writ petition by issuing a direction to the respondent to pay the balance amount, and on such payment, the



allotment would stand revived, the Tamil Nadu Housing Board preferred the present intra-court appeal.

9. Learned Advocate General appearing on behalf of Housing Board would mainly contend that despite several opportunities provided to the respondent, he failed to comply with the conditions in the allotment order. The respondent was a chronic defaulter in payment of monthly installment and did not put up construction within a period of three years as per Clause 7 of the allotment order. Thereafter, the time for payment of installment was extended till 25.07.1995. Even then, the respondent failed to comply with the conditions nor settled the dues. Thus, the cancellation order became final, and only after a lapse of 16 years, the respondent voluntarily paid a sum of Rs.1,21,894/- to the Housing Board on 30.06.2011, which would not provide any right to the respondent to seek revocation of cancellation order passed in the year 1993. That apart, the resolution passed by revocation committee is only for the purpose of adding the subject plot in the vacant list for conducting public auction, and cancellation of allotment made in the year 1993 became final and remains unchallenged till today.



WEB COPY

10. Mr.C.T.Mohan, learned Senior Counsel appearing on behalf of respondent would oppose by stating that Tamil Nadu Housing Board accepted the payment of Rs.1,21,894/- on 30.06.2011 despite the fact that 16 years lapsed from the date of passing of the cancellation of allotment order. That apart, in the cancellation order, respondent was permitted to pay a sum of Rs.76,895/- which was complied with by him on 24.09.1993. Having accepted these two payments, Tamil Nadu Housing Board ought to have considered the case of the respondent to revoke the cancellation order. The resolution of the revocation committee is perverse since revocation committee has no power to confirm the order of cancellation of allotment; the committee has to revoke the cancellation. Therefore, the power exercised is over and above the power conferred on the committee.

11. Learned Senior Counsel relied on the judgment of Hon'ble Supreme Court of India in the case of ***R.K.Saxena Vs. Delhi Development Authority***¹. Perusal of the judgment would show that the facts in the present case are distinguishable, and more so, Apex Court granted relief considering the facts

¹ AIR 2002 SC 2340



involved in the said case. That apart, in the case before Hon'ble Supreme Court, the cancellation of allotment was made after receiving the payment made by the allottee. Therefore, the facts in the said case have no application in respect of the present case on hand.

12. This Court heard the parties to the lis on hand.

13. The facts not controverted between the parties would reveal that allotment was made in the year 1982 and conditions were stipulated in the allotment. Respondent committed default in payment of monthly installments and not constructed building within a period of 3 years as per Clause 7 in the allotment order. Several opportunities were granted to the respondent from the year 1982 onwards till 25.07.1995. Pertinently, 13 years was granted to the respondent to pay monthly installments and to construct the building, but he failed to do so. Finally, a show-cause notice was issued and thereafter the allotment was cancelled vide order dated 14.09.1993. Even thereafter, Tamil Nadu Housing Board entertained application submitted by the respondent and granted extension of time till 25.07.1995. That opportunity was also missed by



WEB COPY

the respondent, and he continued to be a defaulter and not constructed building in the allotted site. Thereafter, the respondent slept over for about 16 years. Suddenly he woke up and paid a sum of Rs.1,21,894/- on 30.06.2011.

The said payment made after 16 years would not reopen the cause of action, which has been dead in the year 1995 itself. That apart, the said voluntary payment is not supported by any of the proceeding of competent authority of Tamil Nadu Housing Board. In the absence of any proceeding permitting the defaulted allottee to make payment after cancellation of allotment, it cannot be construed that the said voluntary payment would provide a right or cause to institute or continue further proceedings.

14. After the said payment, respondent made application, and 13th revocation committee confirmed the cancellation of allotment made in the year 1993. The committee has considered the fact that time was extended till 25.07.1995. Pertinently, the decision of the committee cannot be construed as a new cause of action, and it is only a confirmation issued by the committee in the year 2019, which would provide no cause for institution of writ proceeding so long as the original order of cancellation of allotment remains



unchallenged.

WEB COPY

WA No. 3018 of 2023



15. The Writ Court, having appreciated the undisputed facts between the parties, made a finding that respondent shall pay a sum of Rs.3,00,000/- to Tamil Nadu Housing Board towards outstanding dues within a period of 8 weeks from the date of copy of the impugned writ order. Upon such payment, Housing Board was directed to execute the sale deed in favour of the respondent within a period of 4 weeks. Such a direction granted, in the opinion of this Court, is running counter to the established principles of law and further directly contravening the conditions stipulated in allotment order, which all are binding on the parties, namely appellant and respondent.

16. Tamil Nadu Housing Board is permitted to initiate all appropriate proceedings to resume the plot for conduct of public auction. It is needless to state that amount paid by respondent is to be refunded.

17. In view of the above discussions, the said direction cannot be sustained. Consequently, the writ order impugned made in WP No.23665 of



2019 dated 26.06.2023 is set aside and the Writ appeal stands allowed. No

costs. The connected miscellaneous petitions, if any, are closed.

WEB COPY

(S.M.SUBRAMANIAM J.)(V.LAKSHMINARAYANAN J.)

31-10-2025

gd

Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



WEB COPY

WA No. 3018 of 2023



**S.M.SUBRAMANIAM J.
AND
V.LAKSHMINARAYANAN J.**

gd

WA No. 3018 of 2023

31-10-2025