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W.P.No.2035 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated :22.01.2026

CORAM

THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No.2035 of 2024

S.S.Narayanan

..Petitioner

-Vs-

1. State Bank of India,
Regional Business Office-II,
Chennai CBD/Chennai North Zone,
231, NSC Bose Road,
2nd Floor, AO Building, North Zone-I,
Chennai 600 001
Represented by
Sri D.C. Aswath,
The Regional Manager.

2. State Bank of India,
Regional Business Office-II,
Chennai CBD/Chennai North Zone,
231, NSC Bose Road,
2nd Floor, AO Building, North Zone-I,
Chennai 600 001
Represented by
Smt.Geetha N
The Chief Manager (Ops)

...Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India
praying to issue a writ of Mandamus directing the 2nd respondent to



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forthwith pay the petitioner a sum of Rs. 27,35,558/- (Twenty seven lakhs thirty five thousand five hundred and fifty eight only) being an aggregate of (A) a sum of Rs. 6,55,136/- (Rupees Six Lakhs Fifty-Five thousand One Hundred and Thirty-Six only) directed towards the cost incurred for carrying out civil works at the Proposed site as per the instructions of the Respondents and (B) a sum of Rs. 18 57 520/- (Rupees Eighteen lakh fifty seven thousand five hundred and twenty only) directed towards loss of revenue including loss of rent attributable to the Respondents herein along with interest at 12percentage per annum from 31.03.2023 till 31.01.2024.

For Petitioner : Mr.R.Bharadwaj Ramasubramaniam

For Respondents : Ms.R.Aishwarya

Additional Government Pleader

ORDER

This Writ Petition has been filed for the following relief:

“To issue a writ of Mandamus directing the 2nd respondent to forthwith pay the petitioner a sum of Rs. 27,35,558/- (Twenty seven lakhs thirty five thousand five hundred and fifty eight only) being the aggregate of (A) a sum of Rs. 6,55,136/- (Rupees Six Lakhs Fifty-Five thousand One Hundred and Thirty-Six only) towards the cost incurred for carrying out civil works at the Proposed site as per the instructions of the respondents and (B) a sum of Rs. 18,57,520/- (Rupees Eighteen lakh fifty seven thousand five hundred and



twenty only) towards loss of revenue including loss of rent attributable to the Respondents herein along with interest at 12 % per annum from 31.03.2023 till 31.01.2024.”

2. It is the case of the petitioner that the respondent-Bank had floated a tender for the purpose of taking the premises on lease in Panagal Park, Chennai. The petitioner, who owns the subject property, had submitted his tender on 07.12.2022 offering the said premises for lease. Thereafter, the petitioner was declared the successful bidder and the representatives of the respondent-Bank had approached the petitioner to commence alteration works to the property so as to suit the Bank's needs. A tentative drawing plan was also provided. Thereafter, the petitioner had entered into a Memorandum of Understanding(MOU) dated 17.05.2023 regarding the property in question.

3. The petitioner would submit that there were several rounds of meetings and revisions of the plan and that ultimately, the property was made ready for handing over on 19.07.2023. The petitioner had once again informed the respondents that the site would be ready for taking possession on 07.08.2023 subject to the registration of the lease deed.



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The petitioner would submit that he had incurred a sum of Rs.4,96,072/- towards modifications and further a sum of Rs.1,59,064/- towards additional civil works. The petitioner had not received any advance payment. Since the respondents were not coming forward to proceed further, the petitioner had issued a legal notice dated 25.08.2023 to respondents calling upon them to pay liquidated damages. A reply notice dated 04.09.2023 was issued by the respondents denying the claim and place the delay at the door step of the petitioner. Therefore, the petitioner has come forward with the present writ petition seeking the relief stated supra.

4. A counter affidavit has been filed by the respondents denying the claim of the petitioner and contending that the petitioner had not handed over the building within a period of 30 days as undertaken by him. Further, the respondents had put the petitioner on notice that if the building was not given within 30 days, the agreement would stand cancelled. The respondents would further submit that even the civil works were not completed as per the specifications. Therefore, the writ petition is liable to be dismissed.



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5. Heard the rival submissions made by the learned counsels and perused the materials available on record.

6. It appears that post the bid of the petitioner being accepted, the petitioner had sent a letter dated 15.03.2023 broadly setting out the terms of the lease and giving out the general specifications for the alterations as also the construction of a strong room for the Bank. In the said letter dated 15.03.2023, the petitioner had also undertaken to hand over the premises within a timeline of 30 days from the date of the MOU. Thereafter, the parties had entered into a MOU dated 17.05.2023. The MOU sets out the extent that was let out for lease, the rent payable per month, the interest-free security deposit, the amenities to be provided etc., To the said MOU, the list of works to be carried out by the petitioner and the specifications for the construction of the strong room were also appended along with the plan.

7. On 14.06.2023, the respondents have addressed a communication to the petitioner stating that the work mentioned in the



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MOU had not been commenced and that the delay was hampering the shifting process. The respondents had requested the petitioner to commence the civil works immediately and further stated that if the petitioner did not complete the work within 30 days from the date of the MOU, the MOU would automatically stand cancelled.

8. However, it is seen that on 19.06.2023, the petitioner sent an email to the respondents stating as follows:

" In Continuation of signing the MOU dated 17th May 2023 and your mail with attachment of letter dated 14th June wherein you mentioned that cut off time 30 days from the date of signing the Mou

In this context I would like to bring to you some facts and figures related to civil work as mentioned in Mou for clarification

I have already inform you that following points during our various meeting and discussion had with your good office.

*1.Reinforced Bedding for generator installation at ground floor:
Please note in this regard we can accommodate at car parking area allotted for bank usage*

2.In Permitting the bank to do any type of alteration additional work in connection with improving the ambience subject to not affecting the structural of existing building

3.Reference to Front Entrance LIFT, obtaining permission from authorities is not in our hands.



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IN LIST OF WORKS TO BE CARRIED OUT BY LANDLORD:

- 1. Ref to point number (vii): Front Entrance Lift replied as above*
- 2. Ref to point number (x): Handicapped Ramp with SS Handrail. The ramp is Mandatory. And it should be done: in this regard providing a ramp is not possible due to sufficient space not available in the common area.*
- 3. Ref to point number (xix) EB power load presently we have 25KW, any additional requirement the TNEB authorities informed us will increase after usage or based on EB consumption as plan submitted.*
- 4. Ref to point number (xvii) its possible to arrange supply water from common bore only and its not possible by dedicated bore.*
- 5. Ref to point number (xx) internal Electrical wiring is not Land owners scope and it is Banker will do their necessary on their own cost.*
- 6. Ref to point number (xxii) space for generator to be accommodate at earmarked place of vehicles parking area only as mentioned above*
- 7. Ref to point number (xxvii) new construction of RCC safer room, other flat owners of the premises worry that may affect the stability and denying their concurrence for new RCC safer room*
- 8. Ref to point number (xxviii) any other civil and alteration works as per scope of advertisement - we request you to be specific on this point. works to be carried out for clarity.*
- 9. Ref to point number (xxix) to erect a communication tower in the terrace of the building only allowed to fix the antenna on the parapet wall of the terrace area.*

With this above explanation we expect your confirmation to commence the required civil work. ”

To this e-mail, the respondents had sent a reply dated 26.06.2023 clarifying the points raised by the petitioner and concluding as follows:



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“Since the explanation has been given for the queries, you are advised to start the civil works immediately”.

This direction to commence the civil works has been issued by the respondents after the expiry of the 30 day period stipulated in the petitioner's letter dated 15.03.2023. This clearly indicates that the respondent- Bank had waived the 30 days period. Thereafter, by an e-mail dated 19.07.2023, the petitioner had informed the respondents that the civil works had been completed and except for minor works, the premises was ready for being handed over. The respondent-Bank, by an e-mail dated 28.07.2023, informed the petitioner that their Engineer would visit the site. It appears that the Engineer had also visited the site on 31.07.2023 and by an e-mail sent on the same day, the petitioner had updated the respondents about the visit and the joint measurements taken in respect of the premises. The petitioner had also informed the respondents to arrange for the registration of the lease deed by e-mail dated 31.07.2023 at 21.58 hours. In response, the Chief Manager (Compliance and Operations) of the respondent-Bank had sent an e-mail dated 01.08.2023 at 11.18 hours wherein they have set out certain works that were pending and informed the petitioner that the advance amount



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would be paid at the time of the registration of the lease deed and that the rent would be paid at the end of every month after occupation. On 16.08.2023, the petitioner had intimated the respondents that the work had been completed and requested them to arrange for the registration process. However, there was no further response to the e-mail.

9. All these facts would clearly show that the respondents had informed the petitioner that the 30 day period had been modified and that time was no longer the essence of the contract. The petitioner has expended not only substantial amounts of money but also considerable effort in remodelling the premises to suit the needs of the respondent-bank. After having committed to enter into the lease deed, the respondents have now reneged on the contract. Even as late as on 01.08.2023, the petitioner was informed by the Chief Manager that on the completion of the minor works, the lease deed would be registered and that the advance amount would be paid. The respondents are therefore liable to make good the loss suffered by the petitioner for the civil works carried out on their instructions and for their not taking possession of the property, though the same was ready.



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10. In the light of the above discussion, the writ petition is allowed as prayed for. The petitioner shall submit the bills in support of his claim in respect of the works undertaken by him and upon such submission, the respondents shall take steps to pay the said amount. No costs.

22.01.2026

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To

1.The Regional Manager.
State Bank of India,
Regional Business Office-II,
Chennai CBD/Chennai North Zone,
231, NSC Bose Road,
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Chennai 600 001

2. The Chief Manager (Ops)
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P.T.ASHA, J.,

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