



WEB COPY

WP No. 2210 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-02-2026

CORAM

THE HON'BLE MS. JUSTICE P.T. ASHA

WP No. 2210 of 2025

AND

WMP NO. 2561 OF 2025

D.Sridhar

..Petitioner(s)

Vs

1. The Tamil Nadu Housing Board
Represented By Its Chairman, Cmda Building, E
And C Market Road, Koyambedu, Chennai
600040.
2. Tamil Nadu Housing Board
Represented By The Manager, Marketing And
Services, No.8 Dr.Muthulakshmi Road, Adyar,
Chennai 600020.

..Respondent(s)

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorarified Mandamus calling for the records of the 2nd respondent contained in the impugned proceeding vide Letter No. AL5/100425/2013 dated 16.12.2024 quash the same as illegal, arbitrary and unconstitutional and consequently direct the respondents to execute the sale deed in favour of the petitioner in respect of Flat No. 25/08 in 2nd floor in 208 MIG Flats, Sholinganallur Phase III.



For Petitioner(s): Mr.Karthikeyan Anbazhagan

For Respondent(s): Mr.D.Veerasekaran Standing Counsel
(TNHB)

ORDER

The petitioner seeks to quash the demand made by the 2nd respondent vide proceedings dated 16.12.2024 in and by which the 2nd respondent had demanded that the petitioner pay an additional sum of Rs.12,69,936/-, obtain no objection from the bank and thereafter get the sale deed executed.

2. The brief facts which have culminated in the filing of this Writ Petition are as follows:-

3. The respondent board had issued a notification dated 30.08.2012 inviting application for the allotment of residential flats under a self- financing scheme at Sholinganallur on a lot basis. The total sale consideration for a flat was fixed at a sum of Rs.42,60,000/-. The petitioner would submit that he had paid the entire amount in installments on various occasions between 27.12.2012 and 19.11.2017. The receipt of which has also been acknowledged by the respondent board.



4. As per the terms of the sale agreement dated 09.10.2015 entered into between the petitioner and the respondent board, the construction of the flat was to be completed within a period of 24 months from the date of allotment and possession was to be handed over by 01.10.2015. However, the respondent had failed to deliver the flat within the stipulated time frame which was a clear breach of the terms of the agreement.

5. The petitioner's contention is that as per the terms of the agreement the payments were to be made on various stages of the construction and the last installment was to be paid either on the date specified as the due date or when the flat is ready for occupation, whichever is later. The terms of the agreement further stipulate that in the case of default interest was to be paid on the delayed payment. The agreement reiterated the terms of the allotment by stating that the flat will be ready within a period of 24 months.

6. The petitioner would contend that, since the last payment is due on the date specified as the due date or the date on which the flat is ready for occupation, whichever is later, interest can be levied only after the flat is ready for occupation. Further, the respondent board had not maintained the schedule for completing the construction. The petitioner had repeatedly requested the



respondent board to hand over possession and had also personally visited the site and found several defects in the construction all of which he had shared with the respondent board. On 17.08.2018, he had requested the respondent board to rectify the defects and hand over possession of the flat. However, no action was taken by them. Once again by a letter dated 07.12.2017, he had pointed out the defects and called upon the board to rectify the same and hand over possession. After receiving this representation on 22.02.2018, they came forward to hand over the flat. However, the petitioner refused to take possession as there were several defects in the construction. The respondent board thereafter promised to rectify the defects and requested the petitioner to take possession of the flat. On this promise, the petitioner appears to have taken a conditional possession of the flat on 22.02.2018 but had however submitted an objection letter which was recorded in the possession taken report dated 22.02.2018.

7. The petitioner would further submit that, despite the respondent Board's assurance to rectify the defects, the respondent has not come forward to do so. This constrained the petitioner to file WP.No.17916 of 2021 calling upon the respondents to fix the final cost of the flat based upon the actual standard of work and the property/materials values as per the schedule of rates for the year 2011-12. This Court had disposed of the aforesaid Writ Petition on 06.06.2024



directing the board to consider the various representations of the petitioner.

However, these representations were rejected by the respondent by their letter dated 04.12.2024. The petitioner would submit that he was taking steps to challenge the same before the appropriate forum.

8. While so, the respondent board had issued the impugned letter dated 16.12.2024, calling upon the petitioner to pay the defaulted sum of Rs. 12,69,936/- and submit the receipt, failing which the allotment would be cancelled.

9. The petitioner would submit that as per the agreement only a sum of Rs.42,62,000/- was payable which sum he had already paid and the question of incurring interest would occur only after the due date or the date on which the possession was taken. The petitioner had taken possession only on 22.02.2018 much prior to that the petitioner had paid the entire amount. Therefore, the question of interest does not arise. Therefore, the above Writ Petition has been filed for the relief stated supra.

10. The 2nd respondent had filed a counter affidavit inter alia contending that the petitioner had been issued a provisional allotment order dated



01.04.2014 where the cost was fixed at a sum of Rs.42,62,000/- as per this order, the petitioner was to pay an initial deposit of Rs.2,13,000/- within a period of 21 days from the date of receipt of the said order. Thereafter, a regular allotment letter dated 04.06.2013 was issued in favour of the petitioner setting out the payment schedule for the remaining 90% as follows:-

(i) Table A

S.No	Installments	Description	Amount	Due Date
1	1 st	25% of the flat cost	Rs.10,65,500/-	15.07.2013
2	2 nd	20% of the flat cost	Rs.8,52,400/-	15.10.2013
3	3 rd	10% of the flat cost	Rs.4,26,100/-	15.01.2014
4	4 th	10% of the flat cost	Rs.4,26,100/-	15.04.2014
5	5 th	10% of the flat cost	Rs.4,26,100/-	15.07.2014
6	6 th	10% of the flat cost	Rs.4,26,100/-	15.10.2014
7	7 th	5% of the flat cost	Rs.2,13,500/-	15.01.2015

11. The respondent would submit that the petitioner has never adhered to this schedule. Thereafter, due to administrative reasons the cost of the flat was revised and intimated to the petitioner along with the schedule of payment on 05.11.2014 which reads as follows:-

(i) Table B

S.No	Installments	Description	Amount	Due Date
1	5 th	10% of the flat cost	Rs.4,26,100/-	30.09.2014
2	6 th	5% of the flat cost	Rs.4,26,100/-	30.12.2014
3	7 th	5% of the flat cost	Rs.2,13,500/-	30.03.2015



12. Once again, due to administrative reasons the schedule of payment was revised as follows:-

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S.No	Installments	Description	Amount	Due Date
1	5 th	10% of the flat cost	Rs.4,26,100/-	31.12.2014
2	6 th	5% of the flat cost	Rs.4,26,100/-	30.03.2015
3	7 th	5% of the flat cost	Rs.2,13,500/-	30.06.2015

13. Thereafter, the petitioner had executed a lease cum sale deed dated 09.10.2025 as per the condition no.4 of the regular allotment order dated 04.06.2013 and 05.11.2014 in the event of the installments not being paid on the due dates, the board could charge interest at the rate fixed every year by them on the belated installments. The respondent has set out the payments made by the petitioner and the date on which the amount and the date on which the same has been paid as follows:-

S.No.	Due Date	Due amount	Paid date	Paid Amount
1			27.05.2011	Rs.2,13,100/-Initial Deposit
2	15.07.2013	Rs.10,65,500/-	28.05.2013	Rs.2,13,100/-
3	15.10.2013	Rs.8,52,400/-	07.09.2015	Rs.4,50,000/-
4	15.01.2014	Rs.4,26,100/-	07.09.2015	Rs.5,00,000/-
5	31.12.2014	Rs.4,26,000/-	07.09.2015	Rs.1000/-
6	30.03.2015	Rs.4,26,100/-	30.12.2015	Rs.26,72,300/-
7	30.06.2015	Rs.2,13,500/-	04.11.2017	Rs.2,12,500/-
Outstanding (as on 07.01.2026) Rs.13,38,107/-			Total amount paid by the writ petitioner so far Rs.42,62,000/-	



14. Thereafter, the possession was handed over to the petitioner on 07.11.2017. Since there was a delay in exercising their right granted under condition no.4, interest has been levied and no exception can be taken to the same. Therefore, they sought for the dismissal of the Writ Petition.

15. Heard the learned counsel on either side and perused the records.

16. A perusal of the provisional allotment letter issued to the petitioner on 01.04.2013 would clearly show that the cost of the flat was fixed at a sum of Rs.42,62,000/-. The letter states that the cost of the land for the flat would be final, and it is only the cost of construction that would vary depending upon price escalation and tender expenses.. The letter further acknowledges receipt of a sum of Rs.2,13,100/- from the petitioner being 5% of the cost of the flat and further sum of Rs.2,13,100/- was also asked to be paid within a period of 21 days.

17. On 04.06.2013, a letter was issued by the respondents to the petitioner confirming the allotment of property in question stating that the same is under the self finance scheme and the fact that 10% of the flat cost has been paid and 90% of the remaining amount was directed to be paid in the following manner:-



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S.No	Installments	Description	Amount	Due Date
1	1 st	25% of the flat cost	Rs.10,65,500/-	15.07.2013
2	2 nd	20% of the flat cost	Rs.8,52,400/-	15.10.2013
3	3 rd	10% of the flat cost	Rs.4,26,100/-	15.01.2014
4	4 th	10% of the flat cost	Rs.4,26,100/-	15.04.2014
5	5 th	10% of the flat cost	Rs.4,26,100/-	15.07.2014
6	6 th	10% of the flat cost	Rs.4,26,100/-	15.10.2014
7	7 th	5% of the flat cost	Rs.2,13,500/-	15.01.2015

18. The letter indicates that the 7th installment should be paid on the date specified in the due date or the date when the flat is ready for occupation whichever is later. The letter further informs the petitioner that in the event of installments not being paid on the due date, the ruling rate of interest fixed by the board every year would be charged on the belated payments. It appears that by a board memorandum dated 14.08.2013 there was a re-scheduledment of the dates on payment of the 3 installments as follows:-

S.No	Installments	Description	Amount	Due Date
1	5 th	10% of the flat cost	Rs.4,26,100/-	30.09.2014
2	6 th	5% of the flat cost	Rs.4,26,100/-	30.12.2014
3	7 th	5% of the flat cost	Rs.2,13,500/-	30.03.2015



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19. This schedule was further revised on account of the administrative reasons as follows-

S.No	Installments	Description	Amount	Due Date
1	5 th	10% of the flat cost	Rs.4,26,100/-	31.12.2014
2	6 th	5% of the flat cost	Rs.4,26,100/-	30.03.2015
3	7 th	5% of the flat cost	Rs.2,13,500/-	30.06.2015

20. This information has been forwarded to the petitioner vide letter of the respondent dated -10/2014. The letter once again reiterated that the last installment was payable on the date shown as the due date or the date on which the possession was handed over which ever was later and that interest would be calculated on the delayed payment.

21. The petitioner would contend that the payments were to be made as per the stages of construction. However, from the counter affidavit filed by the 2nd respondent which is not objected to by the petitioner it is clear that the petitioner had paid the installments with a delay and has not paid the amounts as against the schedule date. The repayment has been done as follows:-



S.No.	Due Date	Due amount	Paid date	Paid Amount
1			27.05.2011	Rs.2,13,100/-Initial Deposit
2	15.07.2013	Rs.10,65,500/-	28.05.2013	Rs.2,13,100/-
3	15.10.2013	Rs.8,52,400/-	07.09.2015	Rs.4,50,000/-
4	15.01.2014	Rs.4,26,100/-	07.09.2015	Rs.5,00,000/-
5	31.12.2014	Rs.4,26,000/-	07.09.2015	Rs.1000/-
6	30.03.2015	Rs.4,26,100/-	30.12.2015	Rs.26,72,300/-
7	30.06.2015	Rs.2,13,500/-	04.11.2017	Rs.2,12,500/-
Outstanding (as on 07.01.2026) Rs.13,38,107/-			Total amount paid by the writ petitioner so far Rs.42,62,000/-	

22. A perusal of the above would clearly indicate that there has been a delay in the payment of installments right from the first installment onwards.

23. Therefore, in the light of the provisional allotment order as well as the final allotment order, the petitioner is liable to pay interest. Even condition (1)

(i) of the lease-cum-sale agreement dated 09.10.2025 would read as follows:-

“ In the case of default the purchaser is liable to pay interest to the vendor at ruling rate for the inforce delayed payment as per the above norms”



24. The respondent in their counter has also set out the rate of interest in paragraph no.3 as follows:-

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- i. 10.50% for 2012-13*
- ii. 10.50% for 2013-14*
- iii. 10.% for 2014-15*
- iv. 10.50% for 2015-16*
- v. 10.50% for 2016-17*
- vi. 10.00% for 2017-18*
- vii. 10.00% for 2018-19*
- viii. 10.00% for 2019-20*
- ix. 08.50% for 2020-21*
- x. 08.00% 2021-22*
- xi. 08.00% for 2022-23*
- xii. 08.00% for 2023-24*
- xiii. 08.50% for 2024-25*
- xiii. 08.00% for 2025-2026*

25. The argument of the petitioner that interest would become payable from the date of handing over of possession of the flat is without any basis particularly in the light of the recitals in the allotment order as also the lease cum sale agreement. Therefore, no exception can be taken to the order which is



the subject matter of this Writ Petition and consequently the Writ Petition is dismissed. However, as and when the petitioner pays the due amount, the respondent board shall forthwith execute the sale deed in favour of the petitioner. No costs. Consequently, the connected Miscellaneous Petition is closed.

11-02-2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

SHR

To

1. The Tamil Nadu Housing Board
Represented By Its Chairman, Cmda Building, E
And C Market Road, Koyambedu, Chennai
600040.
2. Tamil Nadu Housing Board
Represented By The Manager, Marketing And
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