



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26-03-2026

CORAM

THE HONOURABLE MR JUSTICE M.DHANDAPANI

WP No. 11268 of 2026 and WMP.No.12272 of 2026

N.Srinivasan

Petitioner(s)

Vs

1. The Deputy Registrar of Co-Operative Societies,
Salem Circle, Salem District.

2.The Arbitrator/Sale Officer,
Salem Co-Operative Housing Society Ltd., (Regn.
No.S.1329), Salem - 636 001.

3.The Salem Co-Operative Housing Society Ltd.,
Rep. by its Secretary, (Regn.No.S.1329),
Salem - 636 001.

Respondent(s)

PRAYER: Petition filed under Article 226 of Constitution of India, calling for the records relating to the award dated 30.05.2018 passed by the 2nd respondent in ARC No.1186/2015-2016 and the consequential proceedings of the 3rd respondent culminating in the rejection letter dated 24.02.2026, quash the same insofar as it relates to the levy of excessive and penal interest and consequently direct the respondents 1 to 3 to waive the penal interest, recalculate the loan liability on a reasonable basis, permit the petitioner to repay the principal amount with reasonable interest in convenient instalments and forbear the respondents from taking coercive recovery steps including attachment or sale of the petitioners only residential house property.

For Petitioner(s): Mr.M.Jaurudeen

For Respondent: Mr.M.Muthuswamy for R1 & R2
Government Advocate
Mr.Abishesh Moorthy for R3

ORDER

By consent of both parties, this writ petition is taken up for final disposal at the admission stage itself.



2. This petition has been filed challenging the award dated 30.05.2018 passed by the 2nd respondent in ARC No.1186/2015-2016 and the consequential proceedings of the 3rd respondent culminating in the rejection letter dated 24.02.2026, quash the same insofar as it relates to the levy of excessive and penal interest and consequently direct the respondents 1 to 3 to waive the penal interest, recalculate the loan liability on a reasonable basis, permit the petitioner to repay the principal amount with reasonable interest in convenient instalments and forbear the respondents from taking coercive recovery steps including attachment or sale of the petitioners only residential house property.

3. It is the case of the petitioner that the petitioner's father had availed a housing loan of Rs.75,000 from the third respondent Co-operative Housing Society on 29.10.1999 by mortgaging the family residential house. Since the petitioner's father had not repaid the amount, it culminated into an award in ARC.No.1186/2015-16 dated 30.05.2018 directing the petitioner to pay Rs.3,38,546/- (including interest and penalty). Challenging the award dated 30.05.2018, the present writ petition has been filed.

4. Though the learned counsel for the petitioner submitted that the exparte award was passed in the year 2018 without issuing any notice to the petitioner,



however, later, he submitted that the petitioner is very poor and is not in a position to pay such huge amount and sought indulgence of this Court to waive the penalty amount as well as to fix reasonable interest to the award.

5. Heard both sides and perused materials placed on record.

6. Though the petitioner has come up with this petition belatedly challenging the award that was passed in the year 2018, the petitioner has now come forward to repay the amount to the Society to discharge the mortgage in respect of their property. In such view of the matter, since, the petitioner is hailing from poor background and has submitted that he is not in a position to pay such huge amount, this Court exercising powers under Article 226 of Constitution of India is inclined to waive the penalty imposed by the second respondent as well as fix the rate of interest @ 8% p.a., in the impugned award.

7. Accordingly, after deducting the penalty imposed by the second respondent, the amount comes to a sum of Rs.2,54,105/- as on the date of award, viz., 30.05.2018. The said amount of Rs.2,54,105/- shall be paid by the petitioner along with interest @ 8% p.a., to the Society towards the discharge of the mortgage amount from the date of award, viz., 30.05.2018 to till date.



8. The petitioner is directed to pay a sum of Rs.1,50,000/- on or before 30.04.2026 as a first instalment. Thereafter, the respondents are directed to calculate the remaining amounts and the interest to be paid at 8% p.a., from the date of award to till date on the agreed amount, viz., Rs.2,54,105/- and issue a communication to the petitioner tabulating the calculated amounts into ten instalments commencing from 30.04.2026. It is needless to state that once the petitioner has paid the entire amount as agreed in this petition along with interest @ 8% p.a., from the date of award till date, the respondents shall execute a discharge receipt discharging the mortgage created by the petitioner's family.

9. Accordingly, this writ petition stands disposed of. No costs. Consequently, connected miscellaneous petition stands closed.

26-03-2026

dhk

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No



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M.DHANDAPANI J.

dhk

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