

(2007) 12 MAD CK 0044
In the Madras High Court
Case No : Writ Petition (MD) No. 3673 of 2007

N. Subburam

APPELLANT

Vs

The Executive Engineer and Administrative Officer, Tirunelveli
Housing Unit, Tamil Nadu Housing Board

RESPONDENT

Date of Decision : 12-12-2007

Acts Referred:

Citation : (2007) 12 MAD CK 0044

Hon'ble Judges : M. Jeyapaul, J

Bench : Single Bench

Advocate : V. Kannan, for the Appellant; A. Kannan, for the Respondent

Judgement

M. Jeyapaul, J.—The writ petition is filed to quash the proceedings of the respondent in letter No. H6/7744/97 dated 12.03.2007 and

direct him not to insist upon payment of the amount demanded in the aforesaid proceedings as condition precedent to issue the sale deed in respect

of the house bearing Door No. 229 MIG Type in Housing board colony, Tenkasi.

2. The Tamil Nadu Housing Board acquired lands, developed the same as house sites, constructed buildings thereon and allotted constructed

houses to different income groups and categories of persons. The petitioner was allotted Door No. 229 MIG Type in Housing board colony,

Tenkasi as per the order of allotment dated 22.01.1998 issued by the respondent. The selling price of the allotted house including the tentative cost

of the land was fixed at Rs. 3,09,700/-The petitioner has already paid the entire tentative cost as fixed by the respondent.

3. Land acquisition proceedings in respect of the lands acquired for developing as house sites by the respondent were pending disposal at the time

when the tentative cost was fixed. The appeal suits preferred as against the decision arrived at in the respective Land Acquisition Original Petitions

were disposed of only on 20.11.2002 by this Court. The respondent thereafter prepared a final land cost and sent the impugned demand notice on

12.03.2007 calling upon the petitioner to make payment of the final land cost of Rs. 51,290/- on or before 31.03.2007. Failure to pay the said

final land cost would attract 9% interest, it has been stated therein.

4. The petitioner seeks to quash the impugned demand notice on the ground that the demand for final land cost has been made by the respondent

calculating interest even for the period of default on the part of the respondent in fixing the final cost and demanding the same in time.

5. The learned Counsel appearing for the petitioner would submit that though the acquisition proceedings reached finality on 20.11.2002, the

demand notice was belatedly issued in the month of October 2006. Therefore, the respondent is not entitled to any interest for the default period

from 20.11.2002 to the month of October 2006. It is his submission that the petitioner is prepared to pay the final land cost if the interest levied for

the period from 20.11.2002 to October 2006 is deducted from the final land cost arrived at.

6. The learned Counsel for the respondent would contend that after all the Housing Board borrowed the amount from Nationalised Banks for the

purpose of developing the house sites. The Housing Board is paying heavy interest to the Banking Industry. If the interest is waived for any period,

the Board will have to shoulder such a financial burden. It is his further submission that even after the land acquisition proceedings had reached

finality, the respondent had to approach the Land Acquisition Officer to fix the exact compensation in terms of the final verdict passed by this

Court in the land acquisition proceedings and to make payment of the compensation arrived at by the Land Acquisition Officer. It is his further

submission that the said cumbersome process had consumed a lot of time and hereby the delay has occasioned in issuing the demand notice to the

petitioner calling upon him to pay the final land cost. Therefore, he would submit that the petitioner is not entitled to any concession in the matter of

interest on the final land cost calculated by the respondent.

7. The fact remains that the petitioner herein has already paid the tentative land

cost fixed by the respondent. Of course the petitioner has been directed to await for the final disposal of the land acquisition proceedings in order to fix the final land cost. It is an admitted fact that the land acquisition proceedings had been terminated way back on 20.11.2002. Of course the respondent had to approach the Land Acquisition Officer to calculate the exact amount of compensation payable to various land owners and to deposit compensation into the Court for disbursement to the owners of the land. The said process would have definitely taken some time. The respondent is entitled to interest on the final land cost for the reasonable period taken by them for calculating and depositing the actual compensation into Court for disbursement to the parties concerned.

8. But in this case, it is found that the respondent has taken about four long years to fix the final land cost from the date of the disposal of the appeal suit laid against the land acquisition proceedings. If the respondent had been vigilant, the entire process of calculating and making payment of compensation in the light of the final decision arrived at by this Court in the appeal suit would have been over within a period of six months. The respondent is entitled to calculate interest on the final cost arrived at for the aforesaid reasonable period of time. But beyond that period till the date of issuing the demand notice, the respondent is not entitled to impose and collect interest on the final land cost, as the said delay has occasioned only on account of the lapse on the part of the Department. The burden of bearing the cost for the delay occasioned on account of the default on the part of the respondent cannot be shifted to the shoulders of the allottees.

9. In view of the above, the impugned demand proceedings issued by the respondent in letter No. H6/7744/97 dated 12.03.2007 stands quashed and the respondent is directed to arrive at the final cost without imposing any interest on the final cost from 01.06.2003 till the date of the impugned proceedings and issue afresh a demand notice adopting the usual procedure to enable the petitioner to make payment of the amount.

10. The writ petition is ordered accordingly. There is no order as to cost.