



2025 INSC 889

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO. 9631/2025
[ARISING OUT OF SLP (C) No. 12187/2025]**

**TAMIL NADU HOUSING BOARD,
REP. BY ITS MANAGING DIRECTOR AND ORS.**

... APPELLANTS

VS.

S. GANESAN

... RESPONDENT

J U D G M E N T

DIPANKAR DATTA, J.

- 1.** Leave granted.
- 2.** The first appellant¹ invited sealed bids for disposal of Prime Commercial Plot No. PC-16 at Razaak Garden Road, Arumbakkam, Chennai - 600106². An open auction was conducted on 23rd September, 1986. The respondent participated in such auction and offered a bid of Rs. 4,78,921/-. He emerged as the highest bidder and was declared as such.
- 3.** *Vide* letter No. AS 1/11364/1986 dated 23rd December, 1986, the Board communicated acceptance of the respondent's offer for the Plot with a request to

¹ Board, hereafter

² Plot, hereafter

him to pay Rs. 1,19,731/- towards 25% as the initial deposit within 15 days from date of receipt thereof to enable it issue the Regular Allotment Order.

4. Due to the respondent's failure to make the initial deposit as aforesaid, the said allotment was cancelled *vide* order dated 01st June, 1987.
5. The respondent thereafter made several representations to the Board to permit him to pay the arrears, which was ultimately allowed, as a special case, *vide* letter No. AR2/11364/86 dated 22nd November, 1993. It was stipulated therein that in addition to the initial deposit amount, the respondent must also pay Rs. 1,01,772/- towards 12% interest on the initial deposit for the period from 23rd December, 1986 to 31st December, 1993 (85 months) as well as Rs. 5000/- towards revocation fee on or before 31st December, 1993.
6. Since the respondent had remitted a sum of Rs. 1,19,731/- towards the initial deposit and Rs. 5000/- towards revocation fee, the Board revoked the cancellation order *vide* letter dated 04th February, 1994. This letter admittedly does not speak about payment of the interest amount.
7. On 28th February, 1994, the Board issued a Regular Allotment Order in favour of the respondent. He was granted permission to pay the balance amount of Rs. 3,57,191/- on "Hire Purchase Scheme" in monthly instalments of Rs. 8260/- over a period of 5 years. Clause 4 thereof stipulated consequences of default, including eviction.
8. Pursuant to the allotment order, the respondent took over possession of the Plot on 22nd March, 1994 and thereafter, on 12th December, 1997, requested the Board to inform the balance amount to be paid. The Board *vide* letter No. B1/11364/86 dated 27th February, 1998 inadvertently informed the respondent that he was required to pay Rs. 77,300/- towards the balance cost of the Plot

with interest and penal interest as on 31st March, 1998. This amount was duly paid by the respondent along with interest and penal interest on 24th March, 1998. On 7th November, 2001, the respondent requested the Board to execute the sale deed in his favour.

9. In due course of time, the Board upon scrutiny of its records detected the error. Upon preparation of a new working sheet, it found that the respondent was liable to pay Rs. 15,26,023/- as of December, 2002. A letter to this effect was sent to the respondent on 16th December, 2002 and the earlier letter dated 27th February, 1998 was withdrawn.
10. Since the respondent did not pay Rs. 15,26,023/-, the Sites and Services Committee resolved to cancel the allotment *vide* resolution No. 24/2004 dated 30th July, 2004. Cancellation was communicated to the respondent *vide* letter dated 17th August, 2004.
11. Accepting the request of the respondent, the Board communicated its willingness to revoke the cancellation of allotment subject to the respondent undertaking that the pending dues amounting to Rs.20,77,911/- would be cleared. On 19th November, 2004, the respondent sent a letter undertaking to pay the due amount of Rs. 20,77,911/- within the next 10 days. As this letter was received by the Board belatedly, the amount due was recalculated till December, 2004 which was duly sent to the respondent. The respondent thereafter sent a letter to the second appellant (Executive Engineer of the Board) that the amount due up to 31st December, 2004 would be remitted within 10 days from 10th December, 2004. On 20th May, 2005, the respondent sent a letter indicating that the order to remit the payment was not received by the respondent and hence, requested for the issuance of an order for accepting the money.

- 12.** Since the respondent submitted his undertaking letter belatedly, the second appellant directed the respondent on 8th September, 2005 to surrender the Plot to the Board.
- 13.** Aggrieved by the letters dated 17th August, 2004 and 8th September, 2005, the respondent instituted WP No. 30373/2005 before the High Court of Judicature at Madras³. *Vide* two interim orders, the High Court granted an interim stay and injunction as well as a direction to the respondent to make payment of Rs. 21,07,348/- to the second appellant.
- 14.** On 03rd October, 2005, the respondent handed over a Pay Order for a sum of Rs. 21,07,348/- drawn on Indian Overseas Bank, Purasawakkam Branch, Chennai. Ten days later, the second appellant sent a letter to the respondent and returned the Pay Order to the respondent in view of the fact that a petition for vacating stay had been filed and the order of the High Court was awaited.
- 15.** While the respondent sought registration of sale deed on 12th July, 2010, the Board sent a letter, on 21st July, 2010, requesting the respondent to withdraw the case filed by him on condition that if the balance amount is paid, the sale deed would be registered. On 30th July, 2010, the respondent accordingly withdrew WP No. 30373/2005 with liberty to file a fresh petition.
- 16.** Aggrieved by the inaction of the Board in executing the sale deed even after the withdrawal of WP No. 30373/2005, the respondent instituted WP No. 5531/2012 before the High Court challenging the same letters dated 17th August, 2004 and 08th September, 2005 issued by the Board.

³ High Court, hereafter

- 17.** The High Court disposed of the said writ petition on 24th February, 2020. The order dated 8th September, 2005 was quashed and the matter remanded to the Board for consideration afresh.
- 18.** After exchange of certain correspondence, the respondent made a representation on 2nd June, 2020 before the Board. He agreed to pay simple interest of 12% and to pay the amount due and thereafter register the sale deed. No payment was, however, made.
- 19.** On fresh consideration, the appellant confirmed the cancellation of allotment on 20th October, 2020 and resolved to sell the Plot by way of re-auction.
- 20.** Crestfallen, the respondent once again approached the High Court by instituting WP No. 16149/2020. It was dismissed *vide* order dated 30th November, 2021 holding the respondent to be a chronic defaulter. The Board was directed to refund the amount to the respondent with simple interest, if not refunded earlier, after statutory deduction, within a period of four weeks. It was also permitted to sell the Plot through public auction, with the respondent being allowed to participate.
- 21.** Dissatisfied with the order of dismissal, the respondent carried the same in an appeal [WA No. 1347/2022] before a Division Bench of the High Court.
- 22.** The Division Bench of the High Court *vide* the impugned judgment and order dated 28th January, 2025 allowed the writ appeal and thereby set aside the order of the Single Judge. Despite noting the statement of the learned Advocate General that the market value of the property is now around Rs. 4.86 crore, the respondent was permitted to pay a sum of Rs. 3 crore in three monthly instalments and upon payment thereof, the sale deed was directed to be executed in favour of the respondent. The Board assails this order in this appeal.

- 23.** Notably, the respondent did not challenge the self-same judgment and order dated 28th January, 2025; hence, he accepted the same.
- 24.** When the special leave petition was listed before a coordinate bench [of which one of us (Dipankar Datta, J.) was a member] on 19th May, 2025, this Court directed that the special leave petition be listed on 21st July, 2025. The order also required the respondent, in the meanwhile, to tender the amount of Rs. 3 (three) crore. The appellants were directed to receive the same without prejudice to their rights and contentions in the special leave petition.
- 25.** Obviously, such an opportunity was given to the respondent to test his *bona fides*.
- 26.** When the petition is listed before us today, learned counsel for the respective parties have advanced arguments. We have heard them at some length.
- 27.** Payment, as directed, has not been made by the respondent. On his behalf, Mr. Mukherjee, learned senior counsel has fervently prayed for an extension of time to comply with the order dated 19th May, 2025. This, despite the respondent having been given upwards of two months to comply with the said order.
- 28.** At the outset, we need to take serious exception to the conduct of the respondent. He has shown an utterly lackadaisical attitude while dealing with the Board, the High Court as well as this Court. The facts reveal that the respondent has been given sufficient indulgence by the High Court to make the balance payment for the Plot. The respondent has, however, not availed of the opportunity so granted. We do not intend to continue to give leeway to the respondent who has shown continued apathy and indifference with regard to compliance of judicial orders requiring payment to be made.
- 29.** The Plot, being a public property, its management should prioritize the greater public good. The Board, being the custodian of public property, holds it in trust

for the public and is under a duty to take decisions regarding it which serves the broader public interest best. It is to be kept in mind that any auction process by any public authority should be above reproach, guided by the principles of transparency, fairness, and reasonableness. The Board is right in stating that the indulgences granted to the respondent has resulted in loss of revenue to the public exchequer on account of inflation in market value of the property from 1986 till date.

30. We also do not approve the decision of the High Court in placing the blame on the Board. True it is, the Board had committed an error in stating that the balance amount owed by the respondent was Rs. 77,300/- instead of the actual figure. However, immediately upon payment of the said amount by the respondent, the Board scrutinised the records and presented the correct figure in a little more than a year. Moreover, the respondent could not have in good conscience believed that the remaining amount was only about Rs. 77,000/- when the original transaction was for Rs. 4,78,921/- and he had admittedly only paid a fraction of the said amount. His conduct seriously calls into question his *bona fides*. Be that as it may, pursuant to the said correction by the Board, the respondent himself undertook to pay the said balance amount. We fail to see how the Board can then be considered to be in the wrong in the instant case.

31. Despite such disapproval as above, it is significant to note that even after the Division Bench had granted the respondent opportunity to clear the amount of Rs. 3 crore in three equal monthly instalments, only the first instalment was paid within time whereafter permission of the Board was sought by him to pay the remaining two instalments at one go. Although the Board had returned the instalment payment citing its intention to approach this Court, nothing prevented

the respondent to show his *bona fides* by crediting the Board's account with the balance Rs. 2 crore within the time stipulated notwithstanding the Board's intention to move this Court. In our considered opinion, given the respondent's failure to adhere to previous commitments, his offer to pay the balance sum not in two instalments but in a single instalment was too unrealistic to be taken seriously and be deemed practicable.

32. We, therefore, intend to put an end to this long-drawn litigation, especially considering that the genesis of this dispute originated almost 4 (four) decades ago, in the year 1986. The state of this public property has been in a limbo since then. The respondent has been in occupation of the Plot for a little in excess of 3 (three) decades having paid only Rs. 1,97,031/- (Rs. 1,19,731/- given as initial deposit and Rs. 77,300/- later on) despite he having offered the bid of Rs. 4,78,921/- in 1986. It is now high time that he quits and delivers possession of the Plot to the Board.

33. In these circumstances, notwithstanding non-compliance of this Court's order dated 19th May, 2025, the right of the respondent to make payment now stands conclusively closed even in terms of the impugned judgment and order of the High Court. While we do not propose to fasten the respondent with the liability to make payment of any further sum, we grant him time to vacate the Plot within 4 (four) months from date. In default thereof, the Board shall not only be free to dislodge the respondent with the assistance of police force, but may also recover Rs. 2,81,890/-, being the balance of Rs. 4,78, 921/-, together with simple interest @ 6% per annum from the date the respondent was put in possession till he continues in possession of the Plot, as arrears of land revenue. After obtaining possession of the Plot together with any structure thereon, the Board

may proceed to conduct a re-auction or take any other course of action, as permitted by law, to further public interest.

34. The appeal stands allowed on the above terms. No costs.

35. Pending applications, if any, stand closed.

.....J.
(**DIPANKAR DATTA**)

.....J.
(**N.V. ANJARIA**)

NEW DELHI
JULY 21, 2025