



W.P. Nos.4465/2024, etc., Batch

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	Pronounced on
25.03.2026	30.03.2026

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

**W.P. NOS. 4465, 4467, 4468, 4471, 4491, 4495, 4500, 4504,
18798 & 19623 OF 2024**

AND

**W.M.P. NOS. 21477, 20617, 20618, 4866, 4826, 4828, 4851, 4863,
4825, 4827 & 4845 OF 2024**

R.Ganesh Babu	.. Petitioner in WP 4465/2024
S.Balamuralidhar	.. Petitioner in WP 19623/2024
Provash Naskar	.. Petitioner in WP 18798/2024
Dr.J.Dinesh Raj	.. Petitioner in WP 4467/2024
Dr.Ch.Satyanarayana	.. Petitioner in WP 4468/2024
Diveysh P Davey	.. Petitioner in WP 4471/2024
B.Padmanaba Rao	.. Petitioner in WP 4491/2024
S.Jayachandran	.. Petitioner in WP 4495/2024
M.Boominathan	.. Petitioner in WP 4500/2024
Jayakumar Kachapeshwaran	.. Petitioner in WP 4504/2024

- Vs -



W.P. Nos.4465/2024, etc., Batch

1. The Managing Director
Tamil Nadu Housing Board
CMDA Complex, E & C Market Road
Koyambedu, Chennai 600 107.
2. The Manager
Marketing & Service
Besant Nagar Division
Tamil Nadu Housing Board
Chennai 600 020.
3. The Chief Engineer (City)
Tamil Nadu Housing Board
CMDA Complex, E & C Market Road
Koyambedu, Chennai 600 107.
4. The Executive Engineer &
Administrative Officer
Tamil Nadu Housing Board
Besant Nagar Division
Chennai 600 020.

.. Respondents in all WPs

W.P. No.4465 of 2024 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records relating to the impugned order in Letter 05.10.2021 in Letter No.AL.5/492/2016 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute sale deed in favour of the petitioner in respect of the flat allotted to the petitioner bearing LIG I Flat No.02/06 in 1st Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Sholinganallur, Chennai 600 119.

WP No. 19623 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the impugned order in Letter



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11.01.2022 in Letter No.AL.1/796/2015 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing MIG I Flat No.14/7 in 2nd floor, TNHB 1500 MSB Flats phase II, TNHB Main Road, Sholinganallur Chennai-600 119.

WP No. 18798 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the impugned order in Letter 30.06.2022 in Letter No.AL-1/ 326/ 2016 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing MIG Flat No.MI 15/16 in 4th Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Sholinganallur, Chennai-600 119.

WP No. 4467 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter 24.05.2022 in Letter No.AL.1 / 135 / 2016 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing HIG I Flat No.H 7/19 in 5th Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600119.

WP No. 4468 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter 23.05.2022 in Letter No.AL.1 / 878 / 2015 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing MIG II Flat No.8/30 in 5th Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600119.



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WP No. 4471 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter 24.11.2021 in Letter No.AL.1 / 1098 / 2015 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing MIG Flat No.M I 2/8 in 3rd Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600119.

WP No. 4491 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter No. AL.3 / 702459/ 2015 dated 15.07.2021 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing HIG Flat No.H-1/35 in the 9th Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600 119.

WP No. 4495 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter No. AL.3 / 702415/ 2015 dated 15.07.2021 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing HIG Flat No.H-2/12 in the 3rd Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600 119.

WP No. 4500 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter No. AL.5 / 804920/ 2015 dated 15.10.2021 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing HIG Flat 4



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No.L-3/09 in the 2nd Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600 119.

WP No. 4504 of 2024 filed under Article 226 of the Constitution of India praying this Court to call for the records relating to the Impugned Order in Letter No. AL.1 / 804965/ 2015 dated 09.09.2021 passed by the 2nd respondent quash the same and further direct the 2nd respondent to execute Sale Deed in favour of the petitioner in respect of the Flat allotted to the petitioner bearing LIG Flat No.L-2/13 in the 2nd Floor, TNHB 1500 MSB Flats, Phase II, TNHB Main Road, Shollinganallur, Chennai-600 119.

For Petitioners : Ms. Sudharshana Sundar for
M/s. V.V.Sathya &
B.M.Kirsh Kishan

For Respondents : Mr. P.S.Raman, SC for
Mr. D.Veerasekaran

COMMON ORDER

The final cost arrived at by the respondents claiming it to be additional cost in respect of the flats sold to the respective petitioners which was allotted pursuant to the advertisement published during the year 2014 and 2015 under the Hire Purchase Scheme is put in issue before this Court through the present petitions.



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2. The facts in a nutshell, as could be culled out from the writ petitions, is summarised as under :-

The Tamil Nadu Housing Board (for short 'the Board') invited applications under the Hire Purchase Scheme on 21.7.2014, which was concluded on 19.8.2014. In view of the lesser takers, the advertisement was once again republished between July and September, 2015. The flats were constructed in four categories, viz., HIG, MIG-I, MIG-II and LIG with the tentative cost being fixed at Rs.58,60,000/-, Rs.40,71,000/=, Rs.40,64,000/= and Rs.27,33,000/= with a note that the final cost will be informed at the time of handing over.

3. It is the further case of the petitioners that consequent to the said advertisements, the respective petitioners submitted their initial application on various dates as mentioned in the writ petition, with which there is no quarrel, and the tentative cost, as stated in the above was fixed and towards initial payment, the respective petitioners also submitted the said amount.

4. It is the further case of the petitioners that allotment intimation letters were issued provisionally allotting the respective flats to the respective petitioners with a clear stand that the cost of the flat will be informed after



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completion of 80% of the construction work and that the payment details and other monthly instalment will be informed at the time of issue of allotment order. It is the further averment of the petitioners that the respondent have not intimated the cost of the flat as communicated, but the fact remains that the petitioners have paid the entire amount to the respondents as per the value fixed in the advertisement towards the cost of the flat.

5. It is the further averment of the petitioners that provisional allotment was issued in the year 2017 in which the tentative cost was fixed and the petitioners were directed to pay 25% of the flat cost on or before 30 days from the date of receipt of the provisional allotment order.

6. It is the further averment of the petitioners that a regular allotment order was issued in the year 2018 demanding the balance price towards the cost of the flat, which was also duly complied with by the petitioners and that the petitioners took over possession of their respective flats. In fine, it is the case of the petitioners that they have paid not only the application money and the 25% cost, but also the entire balance cost of the flat, as prescribed in the



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advertisement. Further lease-cum-sale agreement was entered into with the Board by the respective petitioners.

7. When It is the further averment of the petitioners that when the matter stood thus, to their shock and surprise, the respective impugned letters were by the petitioners in which the Board had communicated the final cost arrived at for the respective flats and called upon the respective petitioners to pay the differential amount with interest. It is the specific case of the petitioners that in the said letter, the manner in which the said amount has been arrived at has not been specified and further the said fixation is exorbitant notwithstanding the fact that the petitioners have paid the full amount towards the sale consideration of the flats.

8. It is the averment of the petitioners that the demand of additional cost is without any basis and against the principles and procedures laid down for such receipt. It is the further averment of the petitioners that though the construction cost was initially fixed for the various types of flats, viz., HIG, MIG-I, MIG-II an LIG at different rates, however, through the present claim, the construction cost for all the flats were fixed uniformly at Rs.3341/- per sq.ft. It is the further averment



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of the petitioners that the cost was initially fixed by adopting the PWD rates, which includes the profit for the Board and contract for construction was given and, therefore, there could be no increase in cost due escalation and, therefore, higher rate cannot be fixed by the respondents.

9. It is the further averment of the petitioners that the cost of the flats should be fixed on the basis of the land value, which was paid while the lands were acquired plus the additional profit for the Board. However, inspite of the land cost having been fixed at Rs.744/- per sq.ft., and there being no appeal resulting in refixation of the cost at any higher value, the land was sold at Rs.2,600/- per sq.ft., to the petitioners and further even if interest is sought to be collected by the Board, then it should be only on the actual rate paid to the land and it cannot be on the market value of the land. Therefore, the fixation of the cost as also the charging of interest on the market value, which formed the determination of the escalated additional cost is erroneous.

10. It is the further averment of the petitioner that the interest which is demanded on the construction cost till March, 2018 is also arbitrary and such interest cannot be demanded from the petitioners. It is the further averment of



the petitioners that a representation was sent by the Association highlighting the points, but the same has not evoked any response and, therefore, left with no other alternative, the petitioners have come before this Court filing the present petitions assailing the impugned demand of additional cost, labelled as final cost.

11. Learned counsel appearing for the petitioners submitted that when the land cost itself, which was fixed during the period of land acquisition was less, the said value ought to have been the guiding factor in arriving at the cost to be fixed as the sale price of the land, but the Board had fixed the market value and has demanded the amount from the petitioners along with compound interest, which cannot be sustained.

12. It is the further submission of the learned counsel that the interest demand made towards project period interest till March, 2018 is also contrary to the agreement as the said agreement does not contemplate charging of interest. It is the further submission of the learned counsel that though the entire cost of the flat, which has been fixed, has been paid by the respective petitioners, more than three years after the said period, the final cost is alleged to have been arrived at, which is running to lakhs of rupees and interest is also being charged



on the said cost without any basis and no valid reason has been given for demanding such high amount from the petitioners. When the petitioner has paid the lumpsum amount, which has been fixed towards the cost of the flat and entered into the lease-cum-sale agreement, which has fixed the cost of the flat, the Board cannot, posterior in point of time come and claim any additional amount as final cost.

13. It is the further submission of the learned counsel that though the advertisement states that the final cost will be informed at the time of handing over, however, the construction costs have been carefully determined even prior which includes escalation so as to protect the investors from additional burden. However, the Board has not informed the final cost within two months from the date of handing over of the flat and it was communicated only three years after and, therefore, imposing interest on the belated claim made by the Board is grossly impermissible.

14. It is the further submission of the learned counsel that the cost for construction have been fixed taking into account the escalation factor, which also includes the profit margin for the Board and, therefore, the claim of the Board for



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higher rates alleging escalation in costs is wholly unjustified and unsustainable.

In this regard, it is pointed out by the learned counsel that the sale agreement clearly provides that the cost is fixed tentatively and any difference in cost is to be intimated within two months from the date of completion, however, the Board had taken three years to arrive at the final cost, which cannot be imposed on the petitioners, that too along with interest.

15. It is the further submission of the learned counsel that as per the proceedings dated 22.10.2016, the Board had intimated that the cost of the flat will be informed upon completion of 80% of construction. The flats were completely constructed by 14.2.2018, but the communication relating to the additional cost claimed to be the final cost was demanded only after three years from 14.2.2018, which is against the Board's proceedings. In view of the above infractions, the impugned order passed by the Board is grossly illegal, erroneous, arbitrary and unreasonable and the same deserves to be interfered with.

16. Per contra, learned senior counsel appearing for the Board, even at the outset, submitted that neither the advertisement nor the provisional allotment order specifies the final cost and in fact, the very averment of the petitioners in



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the affidavit accepts the very factum. It is further submitted that the provisional allotment order clearly stipulates that the petitioners agree to pay the amount asked for in addition to the price fixed by the Board in case of unexpected contingencies not included in the estimate regarding the implementation of the project.

17. It is the further submission of the learned senior counsel that it is the prerogative of the Board to fix the final price at its sole discretion based on the price of the land acquired under the Land Acquisition Act together with suitable modification and the price fixed by the vendor in respect of the flat/house is final and binding on the purchaser and the purchaser has no rights to seek for fixation of price at his choice.

18. It is the further submission of the learned senior counsel that even the sale agreement entered into between the parties clearly state that the rate agreed upon at the first instance is only a tentative price and not the final price, which has been agreed by the petitioners. Further, it is submitted that the guideline value as well as the market value of the land is taken into account for the purpose of fixation of the land price and as per the Board norms, the higher



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of the two is considered and, therefore, the Board had fixed the land cost on the basis of the market value.

19. It is the further submission of the learned senior counsel that it is not necessary for the Board to adopt the guideline value while fixing the cost of the land, as even under the Land Acquisition Act, while taking into consideration the guideline value of the land, the cost of the land given is worked out by giving solatium and other benefits for the land, in addition to the guideline value and, therefore, fixation of land cost merely on the basis of the guideline value as sought for by the petitioner cannot be done and it is *per se* erroneous.

20. It is the further submission of the learned senior counsel that even as per the clauses in the lease cum sale agreement, more specifically condition No.10, interest could be claimed by the Board and the purchaser is bound to pay the same as also on any arrears and service charges and, therefore, it cannot be claimed by the petitioners that interest is not leviable.

21. It is the further submission of the learned senior counsel that as per the lease-cum-sale agreement entered into between the Board and the



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purchaser, the purchasers had agreed to pay the final cost as and when demanded by the Board and what is initially fixed is only a tentative cost. Even in the provisional allotment order, the same has been clearly mentioned and accepted by all the purchasers and, therefore, the purchasers cannot go back on their agreement. Further, the said commitment and acceptance is irrespective of whether it is through the own fund of the purchasers or through loan taken from financial institutions as the cost fixed is only tentative and not final. Therefore, the contention of the petitioners that the tentative cost becomes final once the amount is paid in full, as specified in the lease-cum-sale agreement is erroneous and an erroneous interpretation of the provisions of the lease-cum-sale agreement.

22. It is the further submission of the learned senior counsel that as per the lease-cum-sale agreement, no condition has been mentioned about fixing the final cost within two months and final cost has been revised based on the representation of the Association dated 1.8.2022 for reduction in cost and, therefore, there is no delay on the part of the Board.



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23. It is the further submission of the learned senior counsel that equal selling price for self finance scheme and hire purchase scheme could not be considered as they are two different modes of allotment. Further, the final selling price was approved by the Pricing Committee of the Board and based on the representation of the Association, the cost was reduced by reducing the supervisory charges and profits, which was spread across all the different types of tenements. Therefore, the petitioners, as a matter of right, cannot seek for the final cost fixed to be excluded as it is not part of the agreement entered into between the Board and the purchasers. Accordingly, he seeks for dismissal of the present petitions.

24. This Court gave its careful consideration to the submissions advanced by the learned counsel appearing on either side and perused the materials available on record.

25. The factum that the purchasers entered into the lease-cum-sale agreement is not denied. Further there is a clear admission in the affidavit filed on behalf of the petitioners that the advertisement as well as the lease-cum-sale agreement entered into between the parties clearly mention the sale



consideration at the first instance as a tentative cost and the final cost to be arrived at a later point of time. When the petitioners themselves have admitted that the agreement between the parties has only fixed the cost of the flat as a tentative cost, the petitioners cannot try to wriggle out of the same and claim that it is the final cost, which has been agreed to between the parties.

26. The petitioners/purchasers as well as the Board are privy to the agreement and both have understood the terms of the agreement before entering into the same. The petitioners, with open eyes, have accepted the price, which was fixed in the lease-cum-sale agreement as the tentative cost and the final cost to be determined at a later point of time, which would be honoured by the purchasers. Further, the tabulated statement provided by the Board also clearly depicts that the amount shown while entering into the lease-cum-sale agreement is a tentative cost and that the final cost would be determined later. Such being the case, the petitioners cannot come before this Court and claim that the fixation of final cost by the Board is wrong as the cost, which was advertised is the final cost, which has been agreed upon. Therefore, the contention of the petitioners on this ground deserves outright rejection.



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27. Coming to the issue of fixation of land value, which, according to the petitioners, ought to have been fixed based on the guideline value, as it should have been determined on the land cost fixed in the award under the land acquisition proceedings. The contention of the petitioners cannot be countenanced for the simple reason that while fixing the land cost under the land acquisition proceedings, the fixation of value depends not only on the guideline value, but on other factors as well and while paying the compensation to the land losers, towards the market value of the land, the award is passed by including solatium, which off-sets the rate towards the market value and the cost of the land is to be read by taking the land value and solatium together. Therefore, the contention of the petitioner that the guideline value would be the determining factor is grossly erroneous. Further, the fixation of the land cost cannot be primarily be on the land value fixed in the acquisition proceedings, as many value clubbed together goes to determine the value paid to the land loser for the lands and not the guideline value alone and, therefore, the fixation of market value of the land for determining the final cost of the land to be paid by the petitioners cannot be held to be arbitrary or unreasonable.



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28. The only contention that remains to be decided is the interest imposed on the final value to be paid by the petitioners. In this regard, the stand of the petitioners is that after three years from the date of hand over of the flats in the year 2018, the final cost has been arrived at in the year 2021 and not only the final cost is called upon to be paid, but in addition to the above, interest is levied on the said amount. This, according to the petitioners, is erroneous as the delay had been occasioned on account of the Board in determining the final cost and the said delay cannot be put against the petitioners by imposing interest on the amount which is determined to be payable towards the final cost.

29. It is the case of the petitioners that the final cost, if at all collectable, ought to have been determined within two months from the date on which the flats were taken possession by the purchasers and the delay on the part of the Board cannot be put against them in the form of interest, which is countered by the Board by submitting that there is no clause in the agreement, which calls for determination within a period of two months and, therefore, what is not provided in the agreement cannot be sought to be enforced by the purchasers/petitioners.



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30. It is to be pointed out that no condition with regard to the period within which the final cost should be determined and a claim made by the Board against the purchasers is provided in the agreement. Therefore, the period of two months for arriving at the final cost cannot be pressed into service by the petitioners. But equally it is to be pointed out that the Board cannot sit over the matter for interminable time and, thereafter, on a fine day, after a period of three years, determine the final cost of the flats and call upon the petitioners/purchasers to pay the same together with interest for the entire period from the date when possession has been taken till the date on which the payment is made.

31. Interest is leviable and collectible by the Board for any delay occasioned by the purchasers in paying the final value that is determined as the final cost of the flat. However, in the present case, the delay is not attributable to the petitioners; rather, it is the Board which was the reason for the delay as the Board had handed over possession of the flats in the year 2018 and, thereafter, after a period of three years, through the impugned order, had sought to collect interest for the amount determined towards the final cost. The delay occasioned due to the fault of the Board cannot be mulcted on the petitioners by



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demanding interest on the said final value. Though it is incumbent upon the petitioners, who have purchased the flats to pay the final value as determined by the Board, however, the interminable or a long delay on the part of the Board resulting in charging of interest on the said amount cannot be fastened on the petitioners/purchasers as they were not the reason for the delay. The administrative difficulties in arriving at the final cost which has resulted in the delay in arriving at the final cost payable by the respective purchasers, viz., the petitioners herein, cannot be passed on to the petitioners by claiming interest from them on the said amount, which would be an arbitrary and impermissible exercise. Therefore, the interest claimed on the final cost payable by the petitioners in respect of the flat purchased by them cannot be sustained and the same deserves to be set aside.

32. For the reasons aforesaid, this writ petition stands disposed of with the following directions :-

- i) The impugned order insofar as the fixation of final cost towards the payment of the flat purchased by the respective petitioners and its consequential demand is confirmed;*



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- ii) *The impugned order insofar as levying of interest on the balance amount payable by the petitioners on determination of final cost stands set aside;*
- iii) *The petitioners are directed to pay the final cost as demanded by the Board vide the respective impugned orders within a period of four weeks from the date of receipt of a copy of this order failing which the said final cost will attract interest at 6% p.a. from the date of this order till the date of payment;*
- iv) *On receipt of the said payment, the Board is directed to execute the sale deed in favour of the respective petitioners within a period of six weeks thereafter.*

Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

30.03.2026

Index : Yes / No

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To

1. The Managing Director
Tamil Nadu Housing Board
CMDA Complex, E & C Market Road
Koyambedu, Chennai 600 107.
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W.P. Nos.4465/2024, etc., Batch

M.DHANDAPANI, J.

GLN

**PRE-DELIVERY ORDER IN
W.P. NOS.4465 OF 2024, ETC. BATCH**

**Pronounced on
30.03.2026**