



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :04.07.2017

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THE HONOURABLE MRS.JUSTICE J.NISHA BANU

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W.P(MD)Nos.18032, 18033 and 18035 of 2013

and

M.P(MD)Nos.1, 1 and 1 of 2013

M.Innocent Selvam ... Petitioner in W.P(MD)No.18032 of 2013

S.Sethuramalingam ... Petitioner in W.P(MD)No.18033 of 2013

P.Muthuvel ... Petitioner in W.P(MD)No.18035 of 2013

Vs.

The Executive Engineer &
Administrative Officer,
Tirunelveli Housing Unit,
Anbu Nagar,

Tirunelveli - 627 001. ... Respondent in all W.Ps

PRAYER: Petitions filed under Article 226 of the Constitution of India, praying for the issuance of a Writ of Certiorarified Mandamus calling for the records in connection with the impugned order of the respondent in proceedings Lr.No.R5/7381/97/Relief G.O.115/2013 dated 05.07.2013, in Lr.No.R5/2237/97/Relief G.O.115/2013 dated 05.07.2013 and in Lr.No.R5/2239/97/Relief G.O.115/2013 dated 05.07.2013 and quash the same as arbitrary and illegal and consequently direct the respondent to execute sale deed in respect of the house allotted to the petitioners bearing No.MIG-B-12, No.MIG-B-18 and No.MIG-B-25 respectively, without insisting/demanding any excess amount in the name of difference in land cost, interest and maintenance charges etc.

For Petitioner : Mr.AR.Jeyarhuthran, in all W.Ps

For Respondent : Mr.K.Balasubramani, in all W.Ps

COMMON ORDER

Challenging the notice issued by the respondent-Housing Board directing the petitioners to pay the difference in land cost, interest and maintenance charges etc., the present Writ Petitions have been filed.

2. According to the petitioners, the respondent-Housing Board allotted MIG house to the petitioners, by order dated 29.12.1997, 04.07.1997 and 04.07.1997 respectively and the petitioners have



also executed a lease -cum-sale agreement. As per the order of allotment, the petitioners had also paid the tentative cost of land and also paid the other required deposits and possession was also handed over to the petitioners. Subsequently, the impugned notice dated 05.07.2013 had been issued to the petitioners directing them to pay difference in land cost, interest and maintenance charges etc. Challenging the above said notification, the present writ petitions have been filed.

3. Even though the petitioners challenged both the demands of difference of land cost, interest and maintenance charges etc., they restrict their claim only in respect of interest on difference of land cost and they agreed to pay only the difference of land cost and they only questioned the interest levied by the Housing Board.

4. According to the learned counsel for the petitioners, the respondent-Housing Board is entitled to demand interest from the respondent from the date of resolution passed by the Board fixing the final costs alone and not from the date of original order of allotment.

5. The respondent-Housing Board filed a counter affidavit stating that the land owners filed petitions seeking enhancement of compensation and based on that, the petitioners are directed to pay the difference of land cost as well as the interest from the date of allotment. Now the Board has finalized the scheme cost in its resolution dated 06.05.2013 fixing the final cost as Rs.1,70,600 per ground as on 30.06.1996.

6. The learned counsel for the petitioners submitted that similar issue was decided by this Court in W.P(MD)No.18547 of 2013, vide order dated 07.11.2016, relevant portion of the said order reads as follows:

" ...7. I have carefully considered the submission of the petitioner as well as the respondent board. Insofar as the payment of interest on the difference of land cost has been now settled by the Judgment of the Division Bench of this Court 2007 Writ L.R 710 (cited supra), wherein the Division Bench has held at paragraph 21 as follows:-

"21.The question now to be decided is what is the period from which interest is payable both in respect of final land cost and capitalisation charge. As for the period from which interest can be claimed is concerned, the final determination of land cost was made on 21.05.2004 with effect from 31.12.2000 as per Board's resolution and it is agreeable to the writ petitioners/allottees. When the demand was made in



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March, 2001, the final land cost did not reach a finality. It came up for further consideration before the authorities from time to time and only before the Lok adalat, the parties came to an almost near agreement on the final cost. Even thereafter respondents did not approve and finalise the land cost and it is only pursuant to the Board's resolution dated 21.05.2004, the final land cost was determined by the respondent and demand notices have been issued from June, 2004. The tenor of the notice dated 10.06.2004 clearly states that the land cost and capitalisation cost should be paid within a particular date, failing which interest will be calculated. It is, therefore, clear that the demand itself is prospective. The respondents wanted to conclude the issue only after the Board's resolution and such decision has been communicated in June, 2004 and thereafter. Therefore, the liability of the allottees to pay interest would arise only in default of payment of the amount as demanded by the respondents in June, 2004 pursuant to the Board's resolution dated 21.05.2004. So, the Department cannot charge interest from the date of allotment. Eventhough logically interest should be charged depending upon the date of service of notice, in order to avoid any unnecessary confusion and complication in such matter, on the basis of the fair concession made by the counsel appearing for the petitioners/allottees to the effect that interest can be charged from the date of Board's resolution dated 21.05.2004, we make it clear that interest on the revised land cost as well as capitalisation charges would be payable with effect from 21.05.2004. As already indicated the counsel appearing for the petitioners have fairly conceded that interest can be charged from 21.05.2004. Therefore, the allottees are liable to pay the interest on and from 21.05.2004."

8.The said decision was followed by a learned single Judge of this Court in W.P(MD)No.5990 of 2011 etc., dated 15.07.2011, wherein, it has been held as follows:

"12. In the decision of the Division Bench of this Court in V.Muralidharan v. State of Tamil Nadu reported in 2007 Writ L.R. 710, a similar claim was made by the Housing Board to the allottees under the Ellis Nagar Housing Board Scheme. Among other issues, the issue relating to payment of interest on difference in land



cost was considered and in that decision, it was held that the relevant date for calculation of interest will be the date when the final determination of the land cost was made ie., 21.05.2004 based on the Board's resolution dated 31.12.2000 and the interest was directed to be paid from 21.05.2004 ie., the date of final determination of land cost."

9. In view of the same, the petitioner has to pay interest only from the date of finalization of land costs ie., 06.05.2013. Since the petitioner has agreed already to pay difference of land costs, the petitioner is directed to pay the differential land costs within a period of eight weeks from the date of receipt of a copy of this order. Sofar as the interest levied on the petitioner is set aside and the respondents are directed to calculate the interest on the final costs from the date of finalization of land costs, namely, 06.05.2013 till the payment of land costs at the rate agreed by the parties."

7. This Court is of the view that following the above said judgments, these Writ Petitions can be disposed of in similar line.

8. Therefore, the petitioners are directed to pay interest only from the date of finalization of land costs ie., 06.05.2013. Since the petitioners have agreed to pay difference of land costs, the petitioners are directed to pay the difference in land costs within a period of eight weeks from the date of receipt of a copy of this order. Insofar as the interest portion is concerned, the same is set aside and the respondents are directed to calculate the interest on the final costs from the date of finalization of land costs, namely, 06.05.2013 till the payment of land costs at the rate agreed by the parties and consequently, after necessary payment, the respondents are directed to register the sale deed to the petitioners in respect of Plot Nos.MIG-B-12, MIG-B-18 and MIG-B-25, within a period of one week from the date of receipt of the entire payment from the petitioners as stated above.

9. In the above terms, these Writ Petitions are allowed. No Costs. Consequently, connected Miscellaneous Petitions are closed.

Sd/-

Assistant Registrar(Records)

/True Copy/

<https://hcservices.ecourts.gov.in/hcservices/>

Sub Assistant Registrar



To,

The Executive Engineer &
Administrative Officer,
Tirunelveli Housing Unit,
Anbu Nagar,
Tirunelveli - 627 001.

PM

VB/SV/SAR4/18.07.2017/5P/2C

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