**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

| Reserved on | Pronounced on |
|---|---|
| 25.10.2025 | 30.10.2025 |

**CORAM**

**THE HONOURABLE MR. JUSTICE M.DHANDAPANI**

**W.P. NOS. 30018, 39543, 36407, 36471, 30022, 30026, 30065, 30073, 30076, 30084, 30087, 30089, 30090, 30091, 30093, 30097, 30098, 30099, 30768, 30772, 30774, 30778, 30782, 30784, 33168, 33311, 33314, 33319, 35016, 35021, 33165 OF 2025**
**AND**
**WMP Nos. 44413, 33746, 33747, 33699, 44414, 40763, 40765, 40687, 33705, 33706, 33714, 33722, 33724, 33726, 33728, 33729, 33730, 33731, 33732, 33733, 33735, 33740, 33745, 33748, 34477, 34483, 34484, 34485, 34489, 34490, 37266, 37267, 37274, 37278, 37280, 37449, 37450, 37454, 37455, 37460, 39164, 39165, 39175, 33637, 33638, 33642, 33644, 33646, 33647, 33695 OF 2025**

1. N.L.Sashi Kumar
2. Mrs. Nirmaladevi R .. Petitioners in W.P. No.30018/25

1. Vijay Ramesh
2. Mrs. Suganya Vijay .. Petitioners in W.P.No.30022/2025

1. S. Vasantha
2. M. Sivaramakrishnan .. Petitioners in W.P.No.30026/2025

1. S.Saranya
2. P.Subramanian .. Petitioners in W.P.No.30065/2025

1. R.Hariprasad

2. Mrs. Lalitha Gooty .. Petitioners in W.P.No.30073/2025

1. Mr. Gopi Duraisamy
2. S.L.Kalaiyarasi .. Petitioners in W.P.No.30084/2025

1. Mrs. Rama Krishnaswamy
2. Mr. S. Krishnaswamy .. Petitioners in W.P.No.30089/2025

1. Mr.Vijay Narasimhan Krishnaswamy
2. Mrs. Deepika Raghunathan .. Petitioners in W.P.No.30091/2025

1. L.Sriram
2. L.Vasu .. Petitioners in W.P.No.30093/2025

1. Mrs. Uma Valmikinathan
2. Mr.V. Valmikinathan .. Petitioners in W.P.No.30098/2025

1. Mr. S. Kavathalai Muthu
2. Mrs. K. Poorna Kala .. Petitioners in W.P.No.30099/2025

1. S. Harikrishnan
2. S. Priyadarshnee .. Petitioners in W.P.No.33311/2025

1. K.Sudarsan
2. Sujatha. M. Rathna .. Petitioners in W.P.No.33314/2025

1. S.Sudharson
2. S.Akshaya .. Petitioners in W.P.No.35016/2025

1. S.Gokulnath

2. G.Kalaivani .. Petitioners in W.P.No.33165/2025

1. S.Sriram Indusekar
2. B.Janani .. Petitioners in W.P.No.39543/2025

1. Mrs. M.Savitha Devi
2. Mr. T.B.Sanjayan .. Petitioners in W.P.No.36471/2025

N.Subramanian .. Petitioner in W.P.No.30097/2025
Karthik Balasubramanian .. Petitioner in W.P.No.30090/2025
S. Murugadasan .. Petitioner in W.P.No.30087/2025
Dr.M.Gomathi Sankar .. Petitioner in W.P.No.30076/2025
Tmt. Davamanidevy .. Petitioner in W.P.No.30768/2025
S.Vignesh .. Petitioner in W.P.No.30772/2025
Hariharan Vishvanathan .. Petitioner in W.P.No.30774/2025
R.Narayanan .. Petitioner in W.P.No.30778/2025
C.R.Sriram .. Petitioner in W.P.No.30782/2025
Mrs. K.Preethi .. Petitioner in W.P.No.30784/2025
S Deeptha .. Petitioner in W.P.No.33168/2025
M.R. Raghunath .. Petitioner in W.P.No.33319/2025
Tmt. Sitalakshmy .. Petitioner in W.P.No.35021/2025
R.Sukanya .. Petitioner in W.P.No.36407/2025

**- Vs -**

The Tamil Nadu Housing Board
Rep. by the Executive Engineer
Cum Administrative Officer
K.K. Nagar Division
C-48, 2nd Avenue
Anna Nagar, Chennai 600 040. .. Respondents in all WPs

WP No.30018 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in letter bearing No.KKND/Allotment-1/371/2021 dated 15.3.2024 and quash the sme and direct the respondent Board to refund a sum of Rs.5,40,000/- collected towards GST.

WP No. 30089 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,26,600/- collected towards GST.

WP No. 30093 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.5,41,150/- collected towards GST.

WP No. 30091 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/

Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,23550 /- collected towards GST.

WP No. 30099 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,63,900/- collected towards GST.

WP No. 30076 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,23,150/- collected towards GST and a sum of Rs.70,100/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30084 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/

Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs 4,26,600/- collected towards GST.

WP No. 30087 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs 4,19,000/- collected towards GST and a sum of RS 1,04,873/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30090 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs 4,23,550/- collected towards GST.

WP No. 30073 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.

KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,66,150/- collected towards GST.

WP No. 30065 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,30,000/- collected towards GST.

WP No. 30022 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment /371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,55,550/- collected towards GST and a sum of Rs.69,700/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30026 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment /371/ 2021 dated 15.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,29 ,960/- collected towards GST and a sum of Rs.70,600/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30097 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs 4,19,000/- collected towards GST and a sum of RS 17,000/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30098 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,18,990/- collected towards GST and a sum of Rs. 67,327/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30782 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.5,41,150/- collected towards GST.

WP No. 30768 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,26,600/- collected towards GST and a sum of Rs.14,000/- paid towards penal interest demanded for the period prior to allotment.

WP No. 30772 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/Allotment - 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.5,40,000/- collected towards GST.

WP No. 30774 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,30,000/- collected towards GST.

WP No. 30778 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.5,41,150/- collected towards GST.

WP No. 30784 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment- 1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,33,750/- collected towards GST.

WP No. 33165 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.

KKND/Allotment -1/371/2021 dated 18.03.2024 and quash the same and direct the respondent board to refund a sum of Rs. 4,35,650/- collected towards GST and a sum of Rs 11800/- paid towards penal interest demanded for the period prior to allotment and pass.

WP No. 33168 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/Allotment - 1/371/2021 dated 18.03.2024 and quash the same and direct the respondent board to refund a sum of Rs. 5,41,150/- collected towards GST.

WP No. 33311 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.KKND/ Allotment-1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to Refund a sum of Rs.4,35,650/- collected towards GST.

WP No. 33314 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.KKND/

Allotment-1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to Refund a sum of Rs.4,35,650/- collected towards GST and a sum of Rs.9,000/- paid towards penal interest demanded for the period prior to allotment.

WP No. 33319 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.KKND/ Allotment-1/371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to Refund a sum of Rs.4,30,350/- collected towards GST.

WP No. 35021 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND /Alottment - 1/371/2021 dated 18.03.2024 and quash the same and direct the respondent board to refund as sum of Rs. 4,03,350/- collected towards GST.

WP No. 35016 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No.

KKND /Alottment - 1/371/2021 dated 18.03.2024 and quash the same and direct the respondent board to refund as sum of Rs. 4,23,150/- collected towards GST and a sum of Rs. 1,79,347/- paid towards penal interest demanded for the period prior to allotment.

WP No. 36407 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment -1/ 371/ 2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs.4,35,650 /- collected towards GST.

WP No. 36471 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in letter bearing no. KKND /Allotment -i /371/2021 dated 18.03.2024 ands quash the same and direct the respondent board to refund a sum of RS 4,29,957/- collected towards GST and sum of of Rs. 1,03,132/- paid towards penal interest demanded for the period prior to allotment.

WP No. 39543 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorarified mandamus to call for the records of the order passed by the respondent herein in Letter bearing No. KKND/ Allotment-1/ 371 /2021 dated 18.03.2024 and quash the same and direct the respondent Board to refund a sum of Rs. 5,41,150/- collected towards GST.

For Petitioners : Mr. K.s.Viswanathan, SC for Ms. T.Hemalatha

For Respondent : Mr. R.Viduthalai, SC, for Mr. D.Veerasekaran

**COMMON ORDER**

Aggrieved by the impugned letters in and by which the petitioners have been directed to pay the GST component on the sale consideration relating to the purchase of flats, which has since been paid under protest by the petitioners, the present writ petitions have been filed seeking quashment of the impugned letters and also seeking refund of the amount and penal interest paid by the respective petitioners/allottees.

2. In certain writ petitions, miscellaneous petitions have been filed praying to permit the petitioners to file a single writ petition, which, upon consideration, are ordered as prayed for on payment of single court fee.

3. Barring the dates, since in all the writ petitions the issue raised is one and the same, they are taken up together and disposed of by this common order. Since the issue is on the legality of the GST amount charged from the petitioners towards the purchase of the flats, this Court is not going into the averments of the individual writ petitions, but suffice to encapsulate the gist of the facts that are common in all the writ petitions with reference to the legal issues involved.

4. It is the case of the respective petitioners that they applied for allotment of flat to be constructed by the Tamil Nadu Housing Board in the high rise building under the Self-Finance Scheme at A.P.Patro Salai, K.K. Nagar, Chennai based on the advertisement inviting applications on first come first serve basis, which allotment commenced in June, 2021. It is the further averment of the petitioners that while launching the project, the respondent had advertised that the price of the flat was Rs.7563 per sq.ft., which was described as *"Frozen Price @ your destined location, No Hidden Charges – UDS – 38.5%"*.

5. It is the further case of the petitioners that upon submission of their respective application and registration of the application, the petitioners remitted 5% of the total cost, being the initial deposit as application money. The lot system of allotment for the above project was conducted by the respondent on 8.7.2021 and, thereafter, communication was addressed by the respondent confirming the allotment of the respective flat, as described in the respective writ petitions along with the fixation of final cost of the flat and the petitioners were called upon to remit the balance 90% of the cost as per the schedule specified. The respondent also entered into a lease-cum-sale agreement for the flat under the self-finance scheme with the petitioners.

6. It is the further averment of the petitioners that the respondent informed the petitioners vide individual communication that the respondent is ready to hand over possession of the flat, but the said letter was later withdrawn. Further, by a calculation sheet, the respondent also informed the petitioners that the entire amount due towards the flat has been paid in full in respect of the flat allotted to the respective petitioners and the petitioners were also issued with a No Due Certificate by the respondent. It is the specific averment of the petitioner

that the No Due Certificate did not refer to any outstanding payment including any GST demand.

7. It is the further averment of the petitioners that vide another communication the petitioners were informed of maintenance deposit and corpus fund deposit to be paid and directed the petitioners to pay property tax, water tax, etc. and in the very same communication, the petitioners were advised to take possession of the respective flat and, accordingly, the petitioners were handed over possession of the flat.

8. It is the further case of the petitioners that all of a sudden through a communication, the Board called upon the petitioners to pay 5% of the GST on the final cost of the flat by making a reference to Board Resolution No.6.02 dated 17.10.2023 and Board's revised memo dated 31.10.2023 by which the Board had resolved to adopt and collect GST as per Notification No.11/17 CT (Rates) dated 28.6.2017.

9. Inspite of the fact that all the allottees of the project have completed the payment of all the instalments and possession of the flat has also been handed over to the individual allottees, the demand of 5% GST has been made on all the allottees. It is the further averment of the petitioners that all the allottees visited the office of the respondent on 20.03.2024 seeking clarification on the issue and registered their protest considering the fact that the frozen price included all taxes and, therefore, there is no question of demanding an additional sum of 5% towards GST after all instalment payments have been completed and possession also handed over and further that the completion certificate has also been issued in respect of the project way back in March, 2023 and possession was handed over in October, 2023.

10. It is the further averment of the petitioners that there was no response from the respondent with regard to execution of the sale deed and since many of the allottees are senior citizens and there was also pressure from the financial institutions to register the sale deed, the petitioners remitted the GST amount demanded by the respondent under protest mainly for the purpose of having the sale deed executed and registered. Further, the petitioners also submitted a

letter to the respondent demanding registration of the sale deed without prejudice to their right to claim refund of the payment towards GST. After payment of the 5% amount towards GST, the respondent executed the sale deed in respect of the respective flat allotted to the petitioners. Claiming refund of the amount paid towards GST and challenging the impugned notice calling upon the petitioner to pay the GST amount, the writ petitions have been filed by the respective petitioners.

11. Learned senior counsel appearing for the petitioners submitted that the advertisement issued by the respondent clearly carry no references with regard to separate payment of GST amount and further the advertisement clearly specifies that there is no hidden charges and that the price is a *"Frozen Price",* meaning thereby that it includes all the statutory components, which includes GST as well and, therefore, the respondent cannot demand GST claiming that the said amount was not included in the per square feet price.

12. It is the further submission of the learned senior counsel that even the respondent had issued a No Due Certificate, which clearly denotes that there was

no amount due and payable by the petitioners and such being the case, the petitioners cannot be mulcted with the responsibility of paying GST, when no amount is due and receivable from them by the respondent.

13. It is the further submission of the learned senior counsel that the offer price includes GST is further fortified by the fact that ever since the date of first payment of the amount, as provided in the schedule, until the last payment of made, the GST component was conspicuously absent in all the demand made by the respondent towards payment of instalment, which would clearly vouch for the fact that GST component is included in the instalment amount, as collection of GST is not an one time payment, but is spread across the payments in instalments proportionately. Therefore, the demand for GST after admitting that no amount is due and payable by the petitioners is wholly impermissible.

14. It is the further submission of the learned senior counsel that the respondent is bound by its own conditions of allotment, which is evident from the advertisement as the price is a frozen price, which would include GST as well as no amount as any charges can be collected from the petitioners towards GST. It

is the further submission of the learned senior counsel that once the charge is frozen, it would be deemed to include GST as well as the cost of construction is arrived at after taking into account all the relevant collectables, which includes GST as well and, therefore, beyond the per square feet price fixed at Rs.7563/-, the respondent cannot collect any amount towards the construction cost, including GST, as GST stood included in the frozen price of the flat.

15. It is the further submission of the learned senior counsel that the impugned letter is liable to be quashed on the ground that they are hit by the established principles of promissory estoppels and legitimate expectation as the promise of the respondent is to allot the flat at the frozen price of Rs.7563/- per sq.ft., and, therefore, the amount collected by the respondent would include GST as well. The respondent is estopped from going back on their promise of frozen price and claim GST separately.

16. Further the respondent cannot be permitted to defeat the legitimate expectation of the petitioners that the residential unit would be handed over to the petitioners upon payment of all instalments in time and the petitioners

having complied with the payment, imposing a condition of payment of GST to be the basis to execute the sale deed is nothing but a rigor imposed on the petitioners to pay the amount, as otherwise, the petitioners, who had taken hefty loans from the banks would be put to great prejudice as the financial institutions would come behind the petitioners and further the petitioners also would have no avenue to raise any further money from any financial institution as any addition to the project cost, like the present claim of GST would not be approved by the financial institution.

17. It is the further submission of the learned senior counsel that the impugned demand stems from the circulars dated 17.10.2023 and 31.10.2023 of the Board where the Board appears to have adopted notification No.11/2017, CT (Rates) dated 28.6.2017 for collecting GST. It is the submission of the learned senior counsel that the respondent is turning around and shifting the burden on the purchasers in order to cover up it default in payment of GST to the GST authorities despite the fact that the rate of the flat is a frozen rate, which includes GST as well, which has already been paid to the respondent.

18. It is the further submission of the learned counsel that similar issue had been considered by a learned single Judge of this Court in a batch of cases in W.P. Nos.33993/2024, etc. Batch, wherein the advertisement in the said case clearly spelt out that the rates were inclusive of GST, but later in point of time, the Board claimed that by virtue of the circulars dated 17.10.2023 and 31.10.2023, the respondent claimed that they were entitled to collect GST and in the said case, this Court, vide order dated 2.6.2025, negative the stand of the respondent and directed refund of GST amount, if collected already and also directed execution of the sale deed within a prescribed period.

19. In the present case, it is the submission of the learned senior counsel that unlike the terminology, "*inclusive of GST",* the terminology used here is *"frozen price with no hidden charges",* which would clearly show that the GST component is included in the frozen price and, therefore, the respondent is not entitled to collect separate GST. However, without keeping up their promise, the respondent, through the impugned letter, has imposed upon the petitioners to collect the GST amount, which has been paid under protest, which requires to be

interfered with by this Court with a further direction to refund the amount and accordingly prays for allowing the writ petitions.

20. Per contra, learned senior counsel appearing for the respondent submitted that the GST authority is a necessary party and without impleading the said authority, the present petition cannot be adjudicated as the respondent is only a collecting agent and the collection is transferred to the said authority and if at all any refund is to be claimed, it is only the authority, which could refund the amount.

21. It is the further submission of the learned senior counsel that the plea of promissory estoppels and legitimate expectation are not available to the petitioners inasmuch as the petitioners are bound to pay the dues towards GST and, therefore, there arises no question of promissory estoppels, as the respondent has not given any promise that the GST dues is either included in the frozen price or it would be absorbed by the respondent from out of the frozen price. There being no promise made by the respondent, the petitioners cannot maintain the plea of promissory estoppel.

22. Similarly, the plea of legitimate expectation also cannot be invoked by the petitioners as the petitioners knew very well that they would be bound to pay the GST on the sale price and merely because it has been collected posterior in point of time in a lumpsum cannot be put against the respondent to call upon the respondent to consume the said component and offset the price in favour of the petitioners.

23. It is the further submission of the learned senior counsel that even on facts, the claim of the petitioners is bound to fail, as clause 14 of the lease-cum-sale agreement entered into between the respective petitioners and the respondent clearly provides that the purchaser has to pay the vendor, on demand, management charges, insurance and other outgoing payable in respect of the property to the Government, State of Central respective Corporation and any other local or other authority due and payable upto the date of registration of the sale deed, as fixed by the vendor. The component of GST being payable by the petitioners to the State or Central Government, necessarily it has to be borne by the petitioners and the petitioners cannot claim ignorance of the same by

placing reliance on the frozen price as tax on the price is not only a justified addition but it is not also a hidden charge and, therefore, the petitioners have to make good the tax, which they have duly complied, though under protest, which is fair, equitable and in consonance with law and, therefore, no interference is warranted with the letter impugned herein and, accordingly, prays for dismissal of the present petitions.

24. In reply as to the applicability of clause 14 of the lease-cum-sale agreement for the collection of GST by the respondent, learned senior counsel for the petitioners submitted that the said clause only relates to outgoings payable in respect of the property purchased by the petitioners, viz., electricity connection charges, water tax, property tax, etc., and other dues, which are to be paid by the petitioners/allottees which are not covered by the sale consideration and it is not relatable to the sale price, on which GST is leviable, as the sale price is not outgoings within the meaning of clause 14.

25. 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 as also the decision relied on, on behalf of the petitioner.

26. Before proceeding to analyse the case on hand, the decision on few aspects of the case, which is before this Court, which were already considered by a coordinate Bench of this Court in the case of ***D.Hamsa Sundaramoorthy – Vs – The Managing Director, TNHB, Chennai (W.P. Nos.33993/2025, etc. Batch – Dated 02.06.2025)***, relating to the issue of GST authority being a necessary party and also the manner in which the terms of the contract has to be interpreted, were dealt with and in the said context, it was held as under :-

> *"13. The first contention of the learned Senior Counsel for the Housing Board that the non-joinder of the authorities under the G.S.T Act is fatal to the Writ Petition cannot be accepted. In this case, the decision to be made cannot in any manner determine the liability of TNHB to pay G.S.T to the authorities or otherwise, including the quantum, delay, or non-compliance with procedure, etc. The Writ Petition revolves around whether, after agreeing to a particular price and expressly mentioning it to be inclusive of G.S.T, the additional amount also claimed as G.S.T can be pursued by the Housing*

*Board or not. In the light of this, I hold that the authorities under the G.S.T are not necessary parties.*

* * * * * * *

*16. Therefore, TNHB, being in a dominant position and not including any clause to the contrary, the contra proferentem rule is also applicable. In this regard, it is relevant to quote the following passage of the judgment of the Division Bench (in which I am one of the parties) in The General Manager (Contracts Cell), India Oil Corporation Ltd., Vs. Jyothi Constructions, Rep. by its Managing Partner V.Surya in W.A.Nos.1728 and 1729 of 2022, by the order dated 30.03.2023, which is as hereunder:-*

> *"4.1. As per the clause extracted above in 1.10(b), it is the appellants who strictly instructed the tenderers to carefully and properly read all the tender documents and fill up the application form. Any prudent / reasonable man cannot sign the Declaration-I as contained in the form at the time of submitting the tender. If the bidders mechanically sign them, again they will be violating the above clause which requires them to read carefully and fill up. Even though the writ petitioners signed, it is pleaded that the consultant who gave them advice, struck off the portion at the time of uploading. In that view of the matter, when learned Senior Counsel appearing on behalf of the appellant accepts that the declaration could have been*

*worded better, the rule relating to contra proferentem would squarely apply in the instant case. The useful reference can be made to paragraph No.6 of the judgment of the Hon'ble Supreme Court of India in United India Insurance Co. Ltd.'s case (cited supra) which reads as*

> *"where the words of a document are ambiguous, they shall be construed against the party who prepared the document".*

*4.2. The Hon'ble Supreme Court of India, also in Central Bank of India Vs. Virudhunagar Steel Rolling Mills Limited and Ors. [(2015) 16 SCC 207], held in paragraph No.6 as hereunder:-*

> *"6..... It is the appellant Bank which drafted the guarantee deed, and in case of doubt, the document would be read against it. This is the contra proferentem rule, which is of a vintage which brooks no contradiction."*

27. From the above decision, it clearly crystallises that the issue of non-joinder of GST authorities would not arise as the issue is not with relation to whether payment of GST is applicable; rather, it is on the determination of whether GST is an inclusive component of the price quoted by TNHB. Therefore,

the determinant only being as to whether GST is an included component in the frozen price or it is specifically excluded in view of clause 14, alone requires to be determined to find out as to whether GST has been collected from the petitioners/allottees by including the same in the sale price. Therefore, the GST authorities are not necessary parties to the present *lis* and, therefore, the submission on this aspect advanced by the respondent deserves to be negative.

28. The next contention relates to promissory estoppel and legitimate expectation put forth by the petitioners, which is countered by the respondent. In this regard, the petitioner claims that the frozen price would include all the taxes, which are payable on the sale price whereas, the respondent adverts to clause 14 of the lease-cum-sale agreement to claim that the petitioners would be liable to pay the levies due to the Central Government or the State Government.

29. Before adverting to the facts and the materials placed in relation to those facts, clause 14 of the lease-cum-sale agreement, on which much reliance is placed by the respondent to claim that GST is to be paid by the petitioners separately, is quoted hereunder for better appreciation :-

> *"14. The purchaser will pay to the vendor on demand management charges, insurance and other outgoing payable in respect of the property to the Government, State or Central respective Corporation and any other local or other authority, due and payable upto the date of registration of the sale deed, as fixed by the vendor. The registration charges, the stamp duty and other incidental expenses shall be borne by the purchaser."*

30. Before giving any interpretation as to whether payment of GST would fall within the ambit of outgoings as spelt out in clause 14 of the lease-cum-sale agreement, as contended by the respondent, it would be necessary to turn back to certain materials, which are factual in nature and which have a bearing on the issue to be decided.

31. The respondent had advertised for the sale of the flats in which it has been specifically mentioned that it is a *"Frozen Price @ your destined location – No Hidden Charges – UDS – 38.5%"*. There is no specific mention as to whether the price includes or excludes GST. But from the terminology used, viz., *"frozen price"* it could safely be concluded that there could be no additional charges, as

the price is fixed and no component can be added to it. Further , the terminology *"No Hidden Charges"* would denote that no other charges could be added to it, meaning thereby there could be no inclusion to any amount, as it is the final sale price that would be payable by the purchaser.

32. It is to be noted that the sale price of the flat ranges between Rs.85.95 Lakhs to Rs.1.07 Crores for which GST, if levied @ 5% would run to lakhs of rupees. It is not as if the respondent was unaware of the GST component, as even according to their very own Board Resolution, it is evident that Notification has already been issued in Notification 11/2017, Central Tax (Rates) dated 28.06.2017 for levy of GST at 1% and 5% for different ongoing projects. The respondent cannot claim ignorance of the said notification. Therefore, for all purposes, the frozen price, as advertised can only be deemed to include GST and exclusion cannot be inferred.

33. Further, as pointed out by the learned senior counsel for the petitioners as also as referenced from the order passed in *Hamsa Sundaramoorthy case (supra)*, there is a 9% profit, which is taken by the

respondent, which has been included in the sale price. Further, it is also to be pointed out that GST is collected as a component in each and every instalment that is paid by the purchaser and is not collected in one lumpsum and at no point of time between the date of entering into lease-cum-sale agreement and the handing over of possession, including issuance of No Due Certificate, there was any claim made by the respondent with regard to payment of GST. The handing over of possession was done way back in October, 2023 at which point of time, there was no whisper about GST and No Due Certificate had also been issued. Only thereafter, vide the impugned letters, based on the Board Resolution dated 17.10.2023, GST was sought to be collected from the petitioners.

34. By the communication dated 18.10.2023, the petitioners were handed over possession of the flats with a clear direction that on and from 1.11.2023, the petitioners would be bound to pay the property tax, water tax, etc. The No Due Certificate coupled with the handing over of the flat to the petitioners clearly indicate that the amounts due and realisable by the respondent has been paid by the petitioner, which would deem to include all the statutory dues, including GST,

as GST is collectable on the sale price at the point of payment and not at any point of time as found fit by the respondent.

35. In the background of the above factual position, clause 14 of the lease-cum-sale agreement is pressed into aid for collection of GST by the respondent. The said clause 14 has already been extracted supra. It is to be pointed out that the relevance of clause 14 was not the subject matter in *Hamsa Sundaramoorthy case (supra)*. Therefore, this Court is entrusted with the task of finding out whether clause 14 will take within its ambit collection of GST from the purchasers.

36. Clause 14 relates to outgoings payable in respect of the property to the Government, State or Central respective Corporation and any other local or other authority, due and payable upto the date of registration of the sale deed *as fixed by the vendor.* The said clause relates to outgoings payable in respect of the property and it does not pertain to the sale value of the property as the date of registration of the sale deed may even take years but the handing over of the property had already been completed. Therefore, the only inference that could

be drawn from the meaning of *"outgoings"* found in clause 14 would be made relatable to other dues like electricity connection charges, any specific additional charges for additional works, if any performed and other dues that are payable to the authorities upon completion of the project and it cannot be made relatable to the sale price. Further, it is to be pointed out that the said clause does not use the term *"payable by the purchaser";* rather it uses the term payable in respect of the property. Therefore, the outgoings payable by the purchaser would start to commence only after the property is handed over to the purchaser, which could only take within its fold property tax, water tax, EB charges, etc., which are outgoings, once the property is handed over and it is not relatable to the sale price of the property.

37. It is to be noted that insofar as GST is concerned, the same is payable on the sale price of the property, which is collectible from the purchaser each and every time instalment component on the sale consideration is paid. However, inspite of the fact that the Notification 11/2017, Central Tax (Rates) dated 28.6.2017 had been issued, no amount has been collected from the purchaser on account of GST by the respondent and in fact possession has been handed over to

the petitioners including giving a No Due Certificate certifying that no dues are payable by the petitioners, which would only go to show that the petitioners are not due to pay any amount to the respondent. A further inference can also be drawn that the issuance of no due certificate makes it clear that the frozen sale price is inclusive of GST as otherwise the respondent would have taken steps to collect GST even at the first instance and to that extent, a clause would also have been inserted in the lease-cum-sale agreement.

38. Further clause 14 of the lease-cum-sale agreement uses the expression *"as fixed by the vendor".* The vendor herein is the respondent and any component of levy on the property, as is fixed by the State or Central Government or local authority in lieu of levies in the form of water tax, property tax, EB connection charges, etc., is payable by the purchaser, on the property without reference to the sale price, which alone could be fixed by the vendor as the fixation of the said sums are based on the extent of the property purchased by the purchaser, whereas the GST is a sum, which is a fixed component based on the sale price and the said component is not fixed by the vendor, as GST is a determined amount in percentage of the sale which is to be collected

proportionately during every instalment payment. There is no leverage for the respondent to determine the GST as it is a pre-determined percentage on the sale price and is statutory due payable by the purchaser.

39. Clause 14 mandates that the levies mentioned therein are to be paid by the purchaser to the vendor on demand, which is relatable to the property and is exclusive of any tax component, whereas GST is a fixed percentage on the sale price and it is a statutory due and is not collected by the seller for the services rendered or at his discretion. In the present case, the respondent, who is the seller, by its very own advertisement, has freezed the price, meaning thereby that there can be no further inclusion on the sale consideration, as it is inclusive of all statutory dues like GST and is not a component to be demanded by the vendor at its leisure, but is a statutory due to be collected by the vendor and paid to the GST authorities at the time of payment of the sale consideration and, therefore, no element of demand exists insofar as GST payment is concerned.

40. Further clause 14 relates to any dues payable in respect of the property to the various authorities, which is not relatable to the sale

consideration, but only relatable to the property, exclusive of sale price, whereas the component of GST is relatable to the sale price and is in no way relatable to the property itself.

41. Useful reference with regard to the above can be referenced through clause 6 of the lease-cum-sale agreement, wherein the purchaser has been mulcted with the responsibility to pay all the taxes, cess and other outgoings payable in respect of the property to the Government, State or Central, respective Corporation and any other local authority from the date of taking possession of the schedule mentioned flat/house. The above clause 6 clearly shows that the outgoings mentioned in clause 14 is relatable to rates of taxes, cess and other outgoings payable by the purchaser from the date of taking possession of the scheduled mentioned property and it not relatable to GST, which is to be paid on sale price. Therefore, GST cannot be brought within the ambit of *"outgoings"* mentioned in clause 14.

42. From the above, it could safely be concluded that while GST is leviable on the sale price and is collectible on the amount paid by the purchaser in

instalments and is irrespective of the purchaser taking possession of the property, however, the outgoings mentioned in clause 14 would only relate to taxes, cess and other charges, which are payable by the purchaser from the date of taking possession of the property and is exclusive of the sale price.

43. When the advertisement had used the terminology *'Frozen Price – No Hidden Charges"* and the lease-cum-sale agreement only speaks about outgoings payable by the purchaser from the date of taking possession of the property, GST being collectible on the sale price of the property, which is done prior to handing over possession to the purchaser, clause 14 of the lease-cum-sale agreement would by no stretch, take within its fold GST, to be collected by the respondent after handing over possession and the impugned letter demanding payment of GST by the petitioners, which, ultimately had been paid by the petitioners under protest and in some cases along with penal interest, is grossly illegal and impermissible and, therefore, the said letter and collection of amount consequent upon the said impugned letter deserves to be interfered with.

44. Further, it should also not be lost sight of that it is the contention of the petitioners, which is not countered by the respondent that on the sale consideration, the respondent earns a profits by 9%. In such a scenario it is to be pointed out that even if the respondent shells out GST to the tune of 5% towards GST payable by each of the petitioner it would still receive back its share of State GST and it would be left with a profit of 4% plus the return of the component of State GST and, therefore, the refund of the amount paid by the petitioners towards GST under protest would not make any dent in the profitability of the respondent and, therefore, respondent cannot absolve itself of its liability to return back the erroneous receipt of GST from the petitioners, as it is to be presumed that the component of GST is included in the *"Frozen Price"* as shown in the advertisement.

45. For the reasons aforesaid, all the writ petitions are allowed and the impugned letters issued to the respective petitioners demanding payment of GST along with penal interest are set aside and consequently, the respondent is directed to refund the GST paid by the respective petitioners along with penal interest, if any paid by the respective petitioners back to the petitioners within a

period of four weeks from the date of receipt of a copy of this order. Consequently, while the miscellaneous petitions seeking to file a single writ petition are ordered on payment of single court fee as noted in para-3 of the order above, the other miscellaneous petitions are closed. There shall be no order as to costs.

**30.10.2025**

Index : Yes / No

GLN

To

The Executive Engineer
Cum Administrative Officer
Tamil Nadu Housing Board
K.K. Nagar Division
C-48, 2nd Avenue
Anna Nagar, Chennai 600 040.

**M.DHANDAPANI, J.**

**GLN**

**PRE-DELIVERY ORDER IN**
**W.P. NOS.30018 OF 2025, etc. Batch**

**Pronounced on**

**30.10.2025**