IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2026

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THE HONOURABLE Ms. JUSTICE P.T. ASHA

W.P.No.957 of 2026
and
W.M.P.No.1153, 1154 and 1155 of 2026

B. Hari Prasad ... Petitioner(s)

Vs.

1. Tamil Nadu Housing Board (TNHB),
Rep by its Managing Director,
CMDA Complex, E & C Market Road,
Koyambedu, Chennai 600 107.

2. The Executive Engineer and Administrative Officer,
Anna Nagar Division Board,
Tamil Nadu Housing Board Shopping Complex,
First Floor, Thirumangalam,
Chennai 600 101. ... Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records of the impugned communication issued by the 2nd respondent herein in his letter No.A.Na.Ko.3/4993/2020 dated 13.05.2025 and quash the same and consequently to direct the respondents herein not to make any further demands of additional amount in so far as the aforementioned apartment in flat No.M-68/17 belonging to the petitioner concerned.

For Petitioner	:	Mr.P.Dinesh Kumar
For Respondents-1 & 2	:	Mr.D.Veeraserakaran, Standing Counsel.

ORDER

The above Writ Petition has been filed for the following relief:

> "To issue a Writ of Certiorarified Mandamus, calling for the records of the impugned communication issued by the 2nd respondent herein in his letter No.A.Na.Ko.3/4993/2020 dated 13.05.2025 and quash the same and consequently to direct the respondents herein not to make any further demands of additional amount in so far as the aforementioned apartment in flat No.M-68/17 belonging to the petitioner concerned."

2. It is the case of the petitioner that the respondents had advertised for the development and sale of the flats in their project proposed at Korattur. The petitioner had applied for allotment of an apartment in the said project and remitted the entire sale consideration. Thereafter, the petitioner was allotted an apartment in the housing project developed by the respondents. Despite the remittance of the entire sale consideration and the handing over of possession of the said apartment by the respondents as early in April 2022, the respondents have not come forward to execute the sale deed in favour of the petitioner to date.

3. While so, the 2nd respondent had issued the impugned communication calling upon the petitioner to remit an additional sum towards differential cost along with an additional 5% GST and also stated that, only upon remittance of the said amount, the sale deed would be executed in favour of the petitioner. Challenging the same, the petitioner is before this Court.

4. The issue relating to the demand of an additional 5% GST was the subject matter of a batch of writ petitions in W.P.No.33993 of 2025 etc, wherein the writ petitions were allowed by order dated 02.06.2025 subject

to the following conditions:

i) In respect of the petitioners herein who have paid the 100% sale price as calculated according to the advertisement rate, TNHB, without insisting on any further payment of G.S.T shall appropriately calculate the sale price and the G.S.T and by mentioning the sale price, shall execute the sale deed in favour of the petitioners.

(ii) Regarding the petitioners who have, without prejudice, also made the additional payment, the aforementioned exercise shall be conducted in addition to refunding the extra 5% collected from them;

(iii) The above exercise shall be completed within eight weeks from the date of receipt of a web copy of this order without waiting for a certified copy of this order.

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

5. The above order was taken up in appeal and the Division Bench of this Court, by order dated 28.08.2025 in W.A.Nos.2565 of 2025 etc. batch, issued, inter-alia, the following directions:

4(i) that the Tamil Nadu Housing Board shall execute sale deeds for the remaining writ petitioners / respondents if they are otherwise eligible to get the sale deeds registered in their favour without demanding 5% additional GST.

ii) It is made clear that, ultimately if the Tamil Nadu Housing Board succeeds in the batch of intra Court appeals, whatever the decision to be made by the Court, the parties shall abide by that and in that case, if any decision is taken in favour of Tamil Nadu Housing Board that their demand of additional GST to the extent of maximum 5% is to be collected, the allottees who are going to get the sale deeds executed by virtue of this order shall without any hesitation to make the payment. Only on that condition, the sale deed as directed above shall be executed by the Tamil Nadu Housing Board. Insofar as the direction given in paragraph No.22(ii) for refunding of extra 5% collected from some of the writ petitioners who have already paid 5% additional GST is concerned, that direction alone is hereby stayed. This order shall confine only to the writ petitioners whose cases are covered under *the impugned order dated 02.06.2025.*

In the case on hand, the petitioner is challenging the demand for additional payment which is covered under Clause 4(i) and (ii) of the order dated 28.08.2025 passed by the Division Bench of this Court in W.A.No.2565 of 2025 etc. batch. The Division Bench has made it clear that, in the event of Tamil Nadu Housing Board succeeding in the appeals, additional GST of upto 5% can be collected from the allottees. In cases of persons who have already paid the 5% additional GST, the Division Bench has held that the said portion of the order would stand stayed.

6. In the case on hand, an additional issue has been raised that the respondent board has demanded additional cost over and above the amount agreed by them. The petitioner would contend that in the advertisement and their promotion material the respondent board had stated that the price would be the sum of Rs. 6045 per sq.ft including GST and that the price would remain firm. However, contrary to the assurance, additional cost has been demanded and there is no explanation as to the head under which such additional demand has been made.

7. In the counter affidavit filed by the respondent board in paragraph 2 it has been stated as follows:

"2. I humbly submit that it is necessary to bring the attention of this Hon'ble Court to the 14th Clause of Lease-cum-Sale Agreement which states the following:

14. The purchaser will pay to the vendor on demand management charges, insurance and other outgoings payable in respect of the properly to the Government, State or Central respective corporation and any other Local or other authority, due and payable up to the date of the 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 purchase."

8. However, the learned standing counsel appearing for the respondent board is for enhanced construction cost. This does not fall within any of the categories set out in Clause 14 of Lease cum Sale Agreement. Therefore, the demand is without any basis and cannot be sustained.

9. In the light of the orders passed in W.A.No.2565 of 2025 etc batch dated 28.08.2025, this writ petition is disposed as follows:

(a) The respondents shall execute the sale deed in favour of the petitioner without demanding 5% additional GST which would be subject to the outcome of the writ appeals.

(b) The refund of the amount paid for parking shall await the outcome of the aforesaid writ appeal.

(c) With regard to the additional enhanced cost made in letter dated 13.05.2025 is quashed. No costs. Consequently, connected miscellaneous petitions are closed.

25.02.2026

Index : Yes/No
Speaking Order : Yes / No
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To

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P.T. ASHA, J,

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