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W.A.No.3984 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.08.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

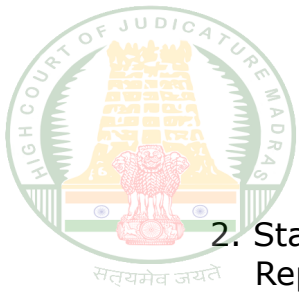
W.A.No.3984 of 2025
and C.M.P.No.32334 of 2025

1. The Managing Director
Tamil Nadu Housing Board,
CMDA Complex, E and C Market Road,
Koyambedu, Chennai – 600 107.
Presently Pocket VI, Board Office cum
Commercial Complex, CIT Nagar,
1st Main Road, Chennai – 600 035.
2. The Manager, Marketing Sales and
Service, O/o. the Executive Engineer
and Administrative Officer,
Coimbatore Housing Unit, Tatabad,
presently HUDCO Colony, Peelamedu,
Coimbatore – 641 004.

Appellant(s)

Vs

1. P.G Shunmugam
S/o.P.Gurunathan,
M-588, 28th Cross Street,
Thiruvalluvar Nagar, Thiruvananthapuram,
Chennai – 600 041.



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2. State of Tamil Nadu
Rep. by its Secretary to Government,
Housing Unit and Urban Development
Department, Fort St. George,
Chennai – 600 009.

Respondent(s)

PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 10.06.2025 passed by the learned Single Judge in W.P.No.18093 of 2023 and allow the writ appeal.

For Appellant(s): Mr.T.Gowthaman,
Addl Advocate General
asst by Mr.P.S.Seetharaman

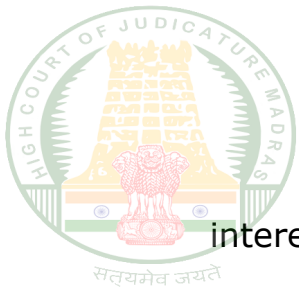
For Respondent(s): Mr.P.G.Shanmugam
[Appearing in person]
for R1

Mr.L.Gokulraj
Addl Govt Pleader
for R2

JUDGMENT
(Delivered by the Hon'ble Chief Justice)

This writ appeal challenges the order of the learned Single Judge dated 10.6.2025 passed in W.P.No.18093 of 2023. By the impugned order, the learned Single Judge directed the Tamil Nadu Housing Board (TNHB) to process the first respondent's claim and refund an alleged excess land cost of Rs.2,88,326/- along with

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interest at 6% per annum.

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2.1. The facts in a nutshell are that, on 12.3.1997, the TNHB allotted Plot/House MIG-842 in Block IV of the Ganapathy Neighbourhood Scheme (Blocks I to IV), Coimbatore, measuring 1,506 sq. ft. to the first respondent. The allotment was made at a tentative price based on a preliminary land acquisition award rate of Rs.200/- per cent. The lease-cum-sale agreement explicitly stipulated that this land cost was purely provisional and subject to upward revision upon the final outcome of pending land acquisition court cases.

2.2. In 2013, the Board determined the final land cost at Rs.17,000/- per cent based on peak claims in land acquisition proceedings. Subsequently, following orders of the Supreme Court fixing compensation at Rs.6,000/- per cent, the Board revised the final land cost to Rs.5,34,100/- per ground, fixing the cost of the first respondent's unit at Rs.3,68,663/-. The first respondent paid the demanded differential amount and executed a registered sale deed on 5.4.2016.



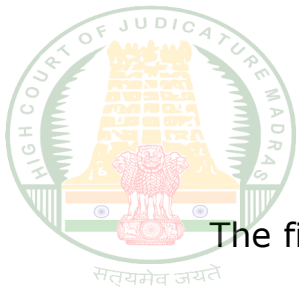
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2.3. Following widespread litigations across various housing schemes, an Arbitral Tribunal headed by Justice K.Venkataraman (Retd.) was constituted. The Tribunal passed an award on 25.9.2021. Paragraph 22 of the award confirmed that for Block IV (21.49 acres), the land rate of Rs.6,000/- per cent applies, subject to any future court reductions.

2.4. The first respondent filed W.P.No.18093 of 2023 alleging that, under the arbitral award, the base rate should be Rs.200/- per cent and, therefore, he is entitled to a refund of Rs.2,88,326/-. The learned Single Judge allowed the writ petition on 10.6.2025.

3.1. Learned Additional Advocate General appearing for the appellants submitted that under paragraph 22(d) of the arbitral award dated 25.9.2021, the plot allotted to the first respondent (MIG-842) falls squarely within Block IV. Both the Supreme Court and the Arbitral Tribunal fixed the land rate for Block IV at Rs.6,000/- per cent. The appellants strictly followed the arbitral award in calculating the final cost based on Rs.6,000/- per cent.



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The first respondent's claim to compute his plot rate at Rs.200/- per cent, as applicable to plots in Block II, is legally unsustainable and contrary to the scheme's plot sketch.

3.2. He further submitted that, upon re-auditing the accounts strictly in accordance with the directives in the arbitral award and the earlier order of the Division Bench, only a sum of around Rs.7,787/-, including 6% interest, was found refundable to the first respondent, which the appellants have already processed for immediate payment.

4. The first respondent, appearing in person, submitted that the TNHB did not produce the detailed calculation sheet before the learned Single Judge and cannot introduce new calculations at the appellate stage.

5. The core issue is whether the first respondent's plot attracts a land rate of Rs.6,000/- per cent or Rs.200/- per cent. Paragraph 22 of the Arbitral Award dated 25.9.2021, clearly demarcates the land rate for Block IV at Rs.6,000/- per cent, as



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was also held by the Supreme Court.

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6. The official records and plot sketch confirm that House MIG-842 is located in Block IV. The first respondent cannot selectively apply the Rs.200/- per cent rate meant for Block II to his property in Block IV. The learned Single Judge erred in accepting the first respondent's unilateral calculation of Rs.2,88,326/-, which misapplied the Block II baseline rate to a Block IV property.

7. The learned Single Judge held that the case of the first respondent falls within the purview of paragraph 30(d) of the Arbitral Award, which directs the refund of excess payments. While paragraph 30(d) mandates refunds where excess amounts were collected, such an excess can only be determined after applying the correct land rate assigned to the specific block. As the actual cost for Block IV was fixed at Rs.6,000/- per cent, no excess payment of Rs.2,88,326/- exists.

8. As demonstrated in the calculation memo filed by the Board, the actual excess collected from the first respondent under

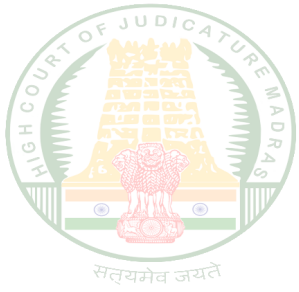


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the revised calculation amounts to Rs.4,852/-, which, together with 6% interest from April 2016 to April 2026 (Rs.2,935/-), totals Rs.7,787/-. The claim of Rs.2,88,326/- made by the first respondent is factually unsupported and legally unsustainable.

9. The first respondent paid the final differential land cost in 2016 and executed a registered sale deed. Once a final cost demand based on Supreme Court decision is settled and title is transferred, individual allottees cannot reopen closed calculations to demand arbitrary refunds inconsistent with the judicial determination of land value for their block.

10. The learned Single Judge erred in accepting the first respondent's claim without verifying whether his plot fell under Block II or Block IV of the arbitral award. The TNHB has correctly applied the rate of Rs.6,000/- per cent for Block IV in strict adherence to the arbitral award and Supreme Court directives. Consequently, the direction to refund Rs.2,88,326/- cannot be sustained.



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11. In the result, the appeal is allowed and the order dated 10.6.2025 passed in W.P.No.18093 of 2023 is set aside. The appellants are directed to refund the balance sum of Rs.7,787/- to the first respondent forthwith, if not already refunded.

There shall be no order as to costs. Connected miscellaneous petition stands closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)
18.08.2026

Index : Yes/No
Neutral Citation : Yes/No
sasi

To:

The Secretary to Government,
State of Tamil Nadu
Housing Unit and Urban Development
Department, Fort St. George,
Chennai – 600 009.



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THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

(sasi)

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