

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 28.04.2015

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

WP.No.11872 of 2014 &
M.P.No.2 of 2014

G.Venu

.. Petitioner

vs

1. The State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) rep. By its Principal Secretary/Chairman and Managing Director 19-A, Rukmini Lakshmipathy Road Egmore, Chennai 600 008.
2. The District Revenue Officer Thiruvallur District, Thiruvallur. .. Respondents

Writ petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of Certiorarified Mandamus to call for the records relating to the proceedings of the first respondent made in Ref.No.F&R/599/12 dated 02.05.2012, quash the same and to consequently direct the respondent to accept the bid of the petitioner and execute the sale certificate in respect of property in S.No.138/3A and 138/3B of Vilakanampoodi Village, Thiruvallur District as per the valuation report of the second respondent made in Na.Ka.No.25234/2010/F1 dated 15.02.2013.

For Petitioner : Mr.L.Chandrakumar
For Respondents : Mrs.Sudharsana Sunder - R1
Mr.R.Lakshmi Narayanan - R2

O R D E R

Heard Mr.L.Chandrakumar, learned counsel for the petitioner, Mrs.Sudharsana Sunder, learned Standing Counsel appearing on behalf of first respondent and Mr.R.Lakshmi Narayanan, learned counsel appearing on behalf of the second respondent and with the consent of the learned counsel appearing for the parties, the Writ Petition is taken up for final disposal.

2.The petitioner has come forward with this Writ Petition for issuance of a writ of certiorarified mandamus to quash the proceedings of the first respondent dated 02.05.2012, to accept the

bid of the petitioner and execute the sale certificate in respect of property in question as per the valuation certificate issued by the second respondent dated 15.02.2013.

3.The undisputed facts are that the first respondent sanctioned a term loan of Rs.115.00 lakhs to M/s Vijay Crates and Containers Pvt.Ltd., for setting up their Unit for the manufacture of plastic moulded crates at Valakkanamudi Village, Pallipattu Taluk, Thiruvallur District. Out of the amount sanctioned the said borrower availed only Rs.97.75 lakhs. Subsequently, the said borrower defaulted in payment of the dues to the first respondent and proceedings were initiated for recovery of the amount. Ultimately, the borrower could not repay the loan and therefore, action was initiated under section 29 of the State Finance Corporation Act, 1951 for recovery of the dues and pursuant to which possession was taken on 17.05.2000 and auction sale of Plant and Machinery was advertised in the New Papers and pursuant to which highest offer was given by the petitioner and he was also willing to enhance his offer from Rs.39.30 lakhs to 39.83 lakhs. At that stage the first respondent decided to call for the report from the District Collector, Thiruvallur, as per the guideline value of the property and upon receiving the report, it was found that the property was advertised for sale at a very low price. Therefore, a decision was taken by the first respondent to cancel the tender and refund the amount of Earnest Money Deposit paid by the petitioner. This action taken by the first respondent is put to challenge in this Writ Petition.

4.Admittedly, the petitioner was not declared as a successful bidder and he had only paid the Earnest Money Deposit and therefore no right accrue in favour of the petitioner. In such circumstances, the first respondent was fully entitle to cancel the tender if the offer received by them is not adequate and in terms of the market value. Further, since the guideline value was revised from 01.04.2012, the first respondent was left with no other option except the cancel the auction cum tender.

5.In the light of the above, the petitioner has not made out any case for interference, moreso, when the auction was yet to be finalised and no right accrue in favour of the petitioner.

6.In the counter affidavit, the respondent has stated that if the petitioner produces the original stamp receipt issued by the SIPCOT for payment of Earnest Money Deposit, the same will be refunded and in fact they have also intimated about the same to the petitioner vide their letter dated 02.05.2012.

7.In the light of the same, the Writ Petition stands dismissed and the petitioner is directed to approach the first respondent, produce original stamp receipt for payment of Earnest Money Deposit

and on receipt of the same, the first respondent shall effect refund to the petitioner within a period of three weeks therefrom. No costs. Consequently connected Miscellaneous Petition is closed.

rpa

s/d-

Assistant Registrar(CS-III)

True Copy

Sub-Assistant Registrar

To

1. The Principal Secretary/Chairman and Managing Director
State Industries Promotion Corporation
of Tamil Nadu Limited (SIPCOT)
19-A, Rukmini Lakshmipathy Road
Egmore, Chennai 600 008.
2. The District Revenue Officer
Thiruvallur District, Thiruvallur.

+ 1 cc to Mr.L.Chandrakumar, Advocate SR 23827

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