



IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 07.08.2019

Coram::

The Honourable Dr.Justice G.Jayachandran

W.P.No.18735 of 2019
& W.M.P.No.18085 of 2019

J.S.Rajkumar,
S/o.D.Jayachandran,
1st Floor, No.L-89/2, Kirloskar Colony Next,
3rd Stage, 4th Block,
Near Arabindo School,
Basaveswara Nagara,
Bangalore - 79. Petitioner

/verus/

1. The Managing Director,
The Tamil Nadu Industrial Investment Corporation Limited,
No.692, Anna Salai,
Nandanam, Chennai - 600 035.
2. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Limited,
DDDC Building (Upstairs),
Pennagaram Road,
Dharmapurai - 636 702. Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, to issue Writ of Mandamus, directing the 1st and 2nd respondents to execute the order dated 07.01.2019 passed by the 2nd respondent in the public auction sale proceedings TIIC/DPI/BO/LAO/2018-19, dated 07.01.2019 received on 21.01.2019, by accepting the petitioner letter dated 20.02.2019 or to refund the 25% of the auction sale bid payment already paid along with interest of 9% per annum to the petitioner in respect of the Company property namely M/s.VCAN ACTIVE CARBON PRIVATE LIMITED, to an extent of 2.17 acres along with constructed buildings and attached with machineries, situated at S.F.No.10(part), 11(part) and 111(part), Plot No.116, SIPCOT Industrial Complex, Parandapalli Village, Pochampalli Taluk, Krishnagiri District - 635 206 within a stipulated time.

For Petitioner : Mr.N.Vijaya Basker for
M/s. Law Vision

For Respondents: Mr.I.Sathish,
Additional Government Pleader

O R D E R

Heard the Learned Counsel for the Petitioner and the Learned Counsel for the respondents.

2. The Petitioner herein is a successful bidder in the public auction conducted by the respondents on 12.12.2018 in respect of land and building at S.F.No.10(Part), 11(Part) & 111(Part), Plot No.116, SIPCOT Industrial Complex, Parandapalli Village, Pochampalli Taluk, Krishnagiri District - 635 206. The auction bid amount of Rs.2.85 crores and thereafter by negotiation, it was enhanced to Rs.2.95 crores, which the petitioner has accepted and deposited 25% of the bid amount of Rs.71,25,000/- on 12.12.2018. Though, the petitioner has attempted to pay the balance amount, due to some objections made by the erstwhile owner, the petitioner as well as the respondent was not able to proceed further and thereby, delay has been caused in completing the payment of balance sale consideration. In such circumstances, when the petitioner has offered to pay the balance sale consideration of Rs.2,33,75,000/-, the respondent has refused to receive the money since the tender for balance sale consideration was beyond the time prescribed, as per the tender conditions.

3. The petitioner herein aggrieved by the act of refusal, has filed the present Writ Petition, contending that it was only due to objections made by the erstwhile owner, the banker of the petitioner was not able to process the loan application and after getting required documents, he has mobilised the required funds and ready to pay the balance amount to the petitioner.

4. As far as the respondents are concerned, in the counter affidavit, they have specifically stated that the petitioner herein has not paid the balance sale consideration, within stipulated time, in spite of receiving the confirmation letter sent to the petitioner on 07.01.2019. The petitioner ought to have paid the balance bid amount, within 30 days from the date of receipt of the confirmation letter. Since, the last day for payment was expired on 20.02.2019, the petitioner is liable to forfeit 25% of the bid amount paid. The delay in paying the balance amount is wilful and the respondents cannot be held responsible for the failure of the petitioner.

5. The reasons stated by the petitioner, in the affidavit, indicates that the intervention of the erstwhile owner reporting to the banker that the matter is pending before NCLT, Chennai, has caused the confusion and delay in processing the loan application of the petitioner. No doubt, the petitioner was not able to pay the balance 75% of the bid amount before 20.02.2019 but, he has a valid reason for not doing so. Now, the petitioner has purchased three Demand Drafts for total sum of Rs.2,23,75,000/- drawn in favour of the "TIIC Limited", and handed over to the learned Counsel for the respondents herein.

6. In the said facts and circumstances, there is no impediment to the respondent to complete the sale proceedings. Therefore, the respondents are directed to proceed further the process by executing the necessary documents, in favour of the petitioner herein on satisfaction of other tender conditions.

7. In the result, the Writ Petition is disposed of. With direction to the respondent herein to complete the sale process, within a period of eight weeks, from the date of receipt of a copy of this Order. No costs. Consequently, Connected Miscellaneous Petition is closed.

s/d-
Assistant Registrar(CS-III)

True Copy

Sub-Assistant Registrar

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To

1. The Managing Director,
The Tamil Nadu Industrial Investment Corporation Limited,
No.692, Anna Salai, सत्यमेव जयते
Nandanam, Chennai - 600 035.

2. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Limited,
DDDC Building (Upstairs),
Pennagaram Road,
Dharmapurai - 636 702.

+1 CC to Mr.I.Sathish Kumar, Advocate sr 68549.

+1 CC to M/s. Law Vision, Advocate sr 68162.

W.P.No.18735 of 2019

KK(CO)

SP(26/08/2019)