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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.11.2021

CORAM:

The Hon'ble Mr. Justice Krishnan Ramasamy

W.P.No.33241 of 2018

Cogzidel Technologies Private Limited,
Represented by its
Director Mr.V.Balamurugan
Having registered office at
No.6/32, Vasudevapuram Street,
West Mambalam,
Chennai 600 033.

...Petitioner

Vs

The Managing Director,
Electronics Corporation of Tamil Nadu Limited (ELCOT)
No.692, Anna Salai,
Nandhanam,
Chennai 600 035.

...Respondent

Prayer:

Writ Petition filed under Article 226 of the Constitution of India praying for issuance of Writ of Mandamus to direct the respondent to pay an amount of Rs.4,50,000/- (Rupees Four Lakhs & Fifty Thousand Only) towards interest for the delayed refund of an amount of Rs.29,89,000/- to the petitioner, which was paid to the land lease deposit at ELCOSEZ-Vadapalanji-Madurai, within the period stipulated by this Court.

For Petitioner : M/S.Saranya
for Mr.N.Sathish Babu

For Respondent : Mr.M.Vijayan,
for M/S.King & Partridge

ORDER

This Writ Petition has been filed to direct the respondent to pay an amount of Rs.4,50,000/- towards interest for the delayed refund of an amount of Rs.29,89,000 to the petitioner, which was paid to the land lease deposit at ELCOSEZ-Vadapalanji-Madurai.

2. The case of the petitioner is that, initially, the



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petitioner, viz., Cogzidel Technologies Private Limited decided to purchase 2 acres of land on lease. Accordingly, they submitted an application to the respondent for allotment of two acres of land on 04.07.2016. Thereafter, the respondent informed the petitioner-Company that they were agreeable in principle to allot 2 acres of land at the rate of Rs.15,00,000/-, and that, the total land lease deposit is Rs.30,00,000/-, however, final allotment order would be given once the petitioner-Company obtains co-developer status from the Ministry of Commerce, New Delhi or unit approval from the Development Commissioner, MEPZ, Chennai. Upon receipt of the said letter, the petitioner-Company deposited a sum of Rs.30,00,000/-. Since there were no development shown in the said project by the respondent, the petitioner sent a letter, dated 08.08.2017 stating that due to operational difficulties, the Company decided to withdraw its decision of proceeding further in the Elcosez-Vadapalanji project, and sought for refund of the amount paid towards land lease deposit. However, the respondent returned only a sum of Rs.29,89,000/-, after deducting a sum of Rs.11,000/- on 16.11.2018.

3. The learned counsel appearing for the petitioner submitted that the grievance of the petitioner is that that there was a delay on the part of the respondent in refunding the amount of Rs.30,00,000/- which was paid by the petitioner towards land lease deposit. Therefore, the learned counsel for the petitioner submits that they are entitled to get Rs.30,00,000/- along with interest of 12% per annum from the date of letter of cancellation of the project, dated 08.08.2017.

4. On the other hand, the learned counsel appearing for the respondent submits that, it is the petitioner-Company, which has decided to withdraw from proceeding further in the project due to some operational difficulties, vide letter, dated 08.08.2017, and therefore, as per the terms and conditions of the agreement, they are entitled to deduct 20%, however, the respondent has deducted only a sum of Rs.11,000/- from and out of the payment made by the petitioner-Company towards land lease deposit, i.e Rs.30,00,000/- and therefore, there is no mistake on the part of the respondent in making such deductions and refund of the land lease deposit. Therefore, the learned counsel prayed for dismissal of the Writ Petition.

5. Heard the learned counsel for the petitioner as well as the respondent and perused the material available on record.

6. It is true that the petitioner-Company was not able to obtain co-developer status from the Ministry of Commerce, New Delhi or unit approval from the Development Commissioner, MEPZ, Chennai, therefore, they sent a letter, dated 08.08.2017



to the respondent, stating that due to operational difficulties, the petitioner-Company decided to withdraw its decision of proceeding further in the Elcosez-Vadapalanji project, and sought for refund of the amount paid towards land lease deposit. Therefore, it is only the decision of the petitioner to withdraw from the project but not on the fault of the respondent. Thus, the question of payment of interest by the respondent does not even arise. Further, the petitioner-Company decided to withdraw the project, and, as per the terms of the agreement, they are entitled to get only 80% of the lease amount paid by them. However, the respondent taking into consideration of the fact that since no final allotment order was issued, took a pragmatic approach and considered the claim of the petitioner legitimately, and returned a sum of Rs.29,89,000/-, after deducting Rs.11,000/-. Under these circumstances, this Court is of the considered view that, this Writ Petition deserves to be dismissed by imposing heavy costs, however, taking into consideration that the matter is argued by a Junior Counsel for the petitioner, with an intention not to discourage such Juniors arguing the case, is not imposing costs.

7. Accordingly, this Writ Petition stands dismissed without costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

jd/sd

To

The Managing Director,
Electronics Corporation of Tamil Nadu Limited (ELCOT)
No.692, Anna Salai,
Nandhanam,
Chennai 600 035.

+1cc to M/s.King and Part, Advocate, S.R.No.60218
+1cc to M/s.E.Sathiyaraj, Advocate, S.R.No.60080

W.P.No.33241 of 2018

PL(CO)
SB(13/12/2021)