



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 03.03.2021

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P (MD)No.4647 of 2021

and

W.M.P. (MD)No.3764 of 2021

M/s.SSD Spinning Mills Limited,
Rep. by its Managing Director,
C.Rajadurai.

... Petitioner

Vs.

1.State Industries Promotion Corporation
of Tamil Nadu Limited (SIPCOT),
(A Government of Tamil Nadu Undertaking),
Rep. by its Managing Director,
No.19 A, Rukmani Lakshmipathi Road,
Egmore, Chennai - 600 008.

2.The General Manager,
State Industries Promotion Corporation,
of Tamil Nadu Limited (SIPCOT),
(A Government of Tamil Nadu Undertaking),
Rep. by its Managing Director,
No.19 A, Rukmani Lakshmipathi Road,
Egmore, Chennai - 600 008.

3.The Project Officer,
State Industries Promotion Corporation,
of Tamil Nadu Limited (SIPCOT),
SIPCTO Industrial Complex,
Thoothukudi.

... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, calling for the entire records relating to the impugned possession notice in PO/TUT/SSD/2020, dated 27.02.2021 issued by the 3rd respondent and quash the same and consequently direct respondents to process and proceed with the OTS proposal as approved by the 1st respondent in the Office Order dated 17.09.2020.



For Petitioner : Mr.S.Parthasarathy
For Mr.A.L.Kannan

For Respondents : Mr.N.Adithya Vijayalayan

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ORDER

Heard the learned counsel appearing for the writ petitioner and the learned standing counsel appearing for the respondents. With their consent, the writ petition is taken up for final disposal at the admission stage itself.

2.The petitioner is an industrial unit having its place of business at Kovilpatti within SIPCOT industrial complex. The company was started in the 1989 and it availed financial assistance to the tune of Rs.2 Crores from the respondents in the year 1996. The petitioner's current liability is hovering around Rs.2 Crores. Since the petitioner had not come forward to clear the loan account, the respondents decided to take recovery action. At that stage, the petitioner gave an application for one time settlement. SIPCOT has its own one time settlement guidelines. The proposal given by the petitioner was accepted on 09.11.2020. Since the petitioner did not honour the proposal, possession notice was issued by the respondents. Possession is to be taken on 04.03.2021. At this stage, the petitioner has approached this Court.

3.The learned counsel for the petitioner draws my attention to the relevant guidelines issued by SIPCOT. It is seen therefrom that in respect of cases, where the borrower company is not found to be honouring the one time settlement payment, even after persistent follow up, it would be necessary to withdraw the one time settlement proposal and initiate appropriate legal action for recovery of the corporation's dues. It is pointed that one time settlement proposal itself was sanctioned only on 09.11.2020 and even without formal withdrawal of the one time settlement approval, the impugned possession notice has been issued. The learned counsel would call upon me to take judicial notice of the pandemic situation prevailing in the country. I am therefore of the view that the respondents can show some indulgences to the petitioner. In any event, the impugned possession notice is not according to the one time settlement guidelines issued by SIPCOT. However, this Court will not be justified in straightaway interfering with the possession notice. The petitioner has to be necessarily put on terms. At this stage, the petitioner came forward to remit 10% of the outstanding liability together with a sum of Rs.29,500/- towards processing charges. The petitioner's counsel seeks 15 days time to remit 10% of the outstanding liability. However, the processing charges of Rs.29,500/- would



be remitted by today itself ie., 03.03.2021.

4. Recording the said undertaking, the possession notice impugned in the writ petition is quashed and the writ petition is allowed. Even though the writ petition stands disposed of, Registry is directed to list this writ petition on 18.03.2021 for reporting compliance. I make it clear that if the petitioner fails to remit 10% of the outstanding liability, which is quantified approximately at Rs.19,00,000/- (Rupees Nineteen Lakhs Only), adverse action will be initiated suo motu against Mr.C.Rajadurai, the Managing Director of the petitioner's company by the Court. I am constrained to name him in person because it is on his instructions, the petitioner's counsel has given an undertaking before this Court. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-

Assistant Registrar(T & P)

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/ /2021

Sub Assistant Registrar(CS)

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Note : In view of the present lock down owing to COVID-19 pandemic, a web copy of the order may be utilized for official purposes, but, ensuring that the copy of the order that is presented is the correct copy, shall be the responsibility of the advocate/litigant concerned.

To

1. The Managing Director,
State Industries Promotion Corporation
of Tamil Nadu Limited (SIPCOT),
(A Government of Tamil Nadu Undertaking),
No.19 A, Rukmani Lakshmipathi Road,
Egmore, Chennai - 600 008.
2. The General Manager,
State Industries Promotion Corporation,
of Tamil Nadu Limited (SIPCOT),
(A Government of Tamil Nadu Undertaking),
Rep. by its Managing Director,
No.19 A, Rukmani Lakshmipathi Road,
Egmore, Chennai - 600 008.



3.The Project Officer,
State Industries Promotion Corporation,
of Tamil Nadu Limited (SIPCOT),
SIPCTO Industrial Complex,
Thoothukudi.

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Copy to

1. The Section Officer, Writ Section,
Madurai Bench of Madras High Court, Madurai.

2. Through The Assistant Registrar(Writs)
Madurai Bench of Madras High Court, Madurai.

+1 CC to M/s.N.ADITHYAVIJAYALAYAN, Advocate (SR-8546[F] dated
03/03/2021)

W.P (MD) No.4647 of 2021
03.03.2021

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