



BEFORE THE MADURAI BENCH OF MADRAS HIGH Court

DATED: 21.09.2021

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR

WEB COPY

W.P. (MD)No.16621 of 2021
and W.M.P. (MD)Nos.13498 to 13500 of 2021

M/s.Nathiya Packaging,
Pro.S.Velayutham.

...Petitioner

-Vs-

1.The Branch Manager,
Tamil Nadu Industrial Investment Corporation Ltd,
98/C2, 2nd Floor, Chairman Shunmuga Nadar Road,
Sivakasi - 626 123.

2.The Superintendent of Police,
Virudhunagar, Virudhunagar District.

3.The Inspector of Police,
Thalavaipuram Police Station,
Virudhunagar District.

... Respondents

Prayer: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records of the 1st respondent's impugned seizure proceedings, dated 03.03.2021, and consequently directing the 1st respondent to hand over the machineries from his physical possession to the petitioner as mentioned in the impugned seizure proceedings as stated above.

For Petitioner : Mr.S.Saravanakumar

For Respondent No.1 : Mr.R.Saravanan
Standing Counsel

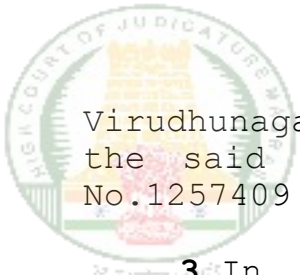
For Respondents 2 & 3 : Mr.D.Ghandiraj
Government Advocate

O R D E R

Prayer sought for herein is for a Writ of Certiorari, calling for the records of the 1st respondent's impugned seizure proceedings, dated 03.03.2021, and consequently directing the 1st respondent to hand over the machineries from his physical possession to the petitioner as mentioned in the impugned seizure proceedings.

2.The petitioner is running a manufacturing Unit in the name and style of "Nathiya Packaging" at Thalavaipuram, Rajapalayam,

<https://hcservices.ecourts.gov.in/hcservices/>



Virudhunagar District. They manufactured polythene package cover in the said unit. The unit was started in the year 2015 in CST No.1257409 and its TIN No.33146346870.

3. In order to purchase some machineries, the petitioner obtained a loan from the first respondent, that is, the Tamil Nadu Industrial Investment Corporation Ltd(TIIC). The first respondent distributed a loan for a sum of Rs.47,00,000/- towards purchasing the machineries and other raw materials.

4. In the said loan transaction, with regard to the repayment, there has been an outstanding of Rs.18,82,055/- and, in order to recover the money, the first respondent has seized the machineries of the petitioner some time in March 2021, and the business premises also has been sealed.

5. By virtue of the said action on the part of the first respondent, the running of the petitioner unit has become to a grinding halt. Therefore, virtually the business of the petitioner has been crippled.

6. Only in that circumstances, in order to revive his industries/business, the petitioner wanted to have a negotiation with the respondents, and in this regard, in order to show the bonafide, the petitioner wanted to make the repayment of the due on instalment basis. Therefore, in this context since his efforts could not yielded any result, he has approached this Court by filing present writ petition, seeking for quashing of the impugned seizure proceedings, dated 03.03.2021, issued by the first respondent and for a consequential relief.

7. Heard, Mr.S.Saravanakumar, learned counsel appearing for the petitioner, who, having reiterated the above, would further submit that, insofar as the repayment of the loan is concerned, the petitioner is ready and willing to make the repayment on instalment basis, and in this regard, a repayment schedule has been given by the petitioner, and in this context, he has also filed undertaking affidavit before this Court, wherein he has stated the following:

"4. I respectfully submit that I hereby undertake to pay the due loan amount with the 1st respondent as follows:

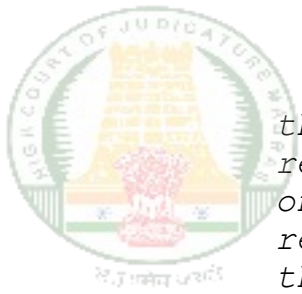
Sl. No.	Date	Proposed to credit amount to the 1 st respondent
1.	05.10.2021	Rs.3,65,000/-
2.	05.11.2021	Rs.5,00,000/-
3.	05.12.2021	Rs.5,00,000/-
4.	05.01.2022	Remaining amount



8.Mr.R.Saravanan, the learned Standing Counsel appearing for the first respondent, in fact, made a serious allegation against the petitioner, when the case taken up for hearing in the earlier occasion that, after their business premises was locked and sealed, the petitioner high handedly broken open the premises, and started running the industry and in this regard, a police complaint had been given to the third respondent. In order to enquire the same, and to file a report, a direction was given by this Court to the third respondent, who, in turn, has filed a report, dated 20.09.2021, wherein, he has stated the following:

"2.I respectfully submit that the 1st respondent had given complaint before the Superintendent of Police, Virudhunagar on 11.08.2021 and the same was assigned current petition number G3/31275/2075/2021 forwarded to the Deputy Superintendent of Police, Rajapalayam. Thereafter the said complaint was placed before us for conduct enquiry. After receipt of the said complaint I called the manager of the 1st respondent and conducted preliminary enquiry. On enquiry the manager of the 1st respondent has stated that after taken possession of the petitioner's premises for the default of loan on 04.03.2021, the petitioner illegally break open unit and running the machineries without getting permission from him. Thereafter our Police team along with the manager of the 1st respondent went to the place of the petitioner's company namely M/s.Nathiya Packaging, Rajapalayam, Virudhunagar District and thereby we did not notice any operation in the said plant and further here is no evidence in respect of break open of the unit as stated by the 1st respondent and also we noticed that the seal and lock of the 1st respondent is available in the building of the petitioner.

3.I respectfully submit that thereafter we have conducted enquiry Mr.J.Karthick son of Jeyakumar and one Mariappan owner of Prabhu Textiles who are nearby the said unit. But they have not supported the complaint of the 1st respondent. Further I called the petitioner for enquiry, during the course of enquiry the petitioner had denied the allegations made by the 1st respondent. At that time, the 1st respondent insisted us direct the petitioner to settle the entire dues. In turn, the petitioner stated that he has already paid a sum of Rs.3 lakhs after taking possession of the 1st respondent. Further



the petitioner has requested, if the 1st respondent permitted me to operate unit and then only I will be able to pay entire dues to the 1st respondent. But the 1st respondent had replied that after clearance of the loan amount, the possession will be given to the petitioner. Therefore, the petitioner's company seeks time for further period of 3 months, in turn the 1st respondent had given time only for 45 days."

9. After this report was filed by the third respondent, it has become clear that, there was no such incident of broken open of the sealed premises, and therefore, by coming to know about the said development, the learned Standing Counsel for the first respondent, would submit that, if at all, the petitioner come forward to make the repayment, and in this regard, if he come forward to give a repayment schedule, as per the affidavit stated supra, the first respondent would agree for the same provided, there could not be any default in the repayment schedule, and on that condition of paying first instalment, the first respondent would open their premises by removing the lock and seal and allow the petitioner to run the industry.

10. I have heard, the learned Government Advocate appearing for the third respondent also, who, having filed the said report of the third respondent, would submit that the complaint given by the petitioner, since has been enquired, such a report was given by the third respondent, which may be taken note of by this Court.

11. I have considered the said rival submissions made by the learned counsel appearing for the parties and have perused the materials placed before this Court.

12. Now the allegation made against the petitioner is not correct or untrue as per the report of the third respondent.

13. Be that as it may, insofar as the present offer made by the petitioner, he wants to make a repayment for which, he has given a repayment schedule also as stated above for which, the first respondent also has agreed, this Court feels that, in order to give a quietus to the issue and to see that if the petitioner industry started running, then only, he can generate money and to repay the loan of over due payable to the first respondent, the following orders can be passed in this writ petition:

"that the petitioner shall strictly follow the payment schedule mentioned above as per which the first payment of Rs.3,65,000/- shall be paid on or before 05.10.2021, and on receipt of the first instalment, the first respondent shall remove the lock and seal, and permit the petitioner to run the



industry. Thereafter, further instalments of five lakhs rupees each, in the month of November and December, on or before 5th of the respective months shall be paid by the petitioner and the remaining amount with the interest, if any, shall also be calculated and be paid by the petitioner in January, 2022.

It is made clear that, if any default is occurred in the aforesaid schedule of payment, it is open to the first respondent to take any action under the provisions of the State Finance Corporation Act against the petitioner."

14. With these directions, this writ petition is disposed of. However, there shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

Sd/-

Assistant Registrar(CO)

// True Copy //

/ /2021

Sub Assistant Registrar(CS)

PNM/PJL

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 Branch Manager,
Tamil Nadu Industrial Investment Corporation Ltd,
98/C2, 2nd Floor, Chairman Shunmuga Nadar Road,
Sivakasi - 626 123.
2. The Superintendent of Police,
Virudhunagar,
Virudhunagar District.
3. The Inspector of Police,
Thalavaipuram Police Station,
Virudhunagar District.



+1 CC to M/s.M. MOORTHY, Advocate (SR-29714[F] dated 21/09/2021)

+1 CC to M/s.R.SARAVANAN, Advocate (SR-29791[F] dated 21/09/2021)

+1 CC to M/s.SPL.GP (SR-29852[F] dated 22/09/2021)

Order made in
W.P. (MD) No.16621 of 2021
Dated: **21.09.2021**

NSM(CO)
TR(24.09.2021) 6P 7C