



WEB COPY



W.P.No.28310 of 2016

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 02.09.2022

PRONOUNCED ON : 28.10.2022

CORAM:

THE HON'BLE MR.JUSTICE S.SOUNTHAR

W.P.No.28310 of 2016

and

WMP.No.24412 of 2016

M/s.Atlas-Crane Private Limited,
14 B & C, SIDCO Industrial Estate,
Kakkalur,
Thiruvallur District-602 003.
represented by its Director,
M.Senthil Muthu,

...Petitioner

vs.

1.The Chairman & Managing Director,
Tamil Nadu Small Industries Development
Corporation Limited,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai-600 032.

2.The Branch Manager,
Tamil Nadu Small Industries Development
Corporation Limited,
SIDCO Branch Office,
SIDCO Industrial Estate,
Kakkalur, Thiruvallur-602 003.

..Respondent



W.P.No.28310 of 2016

WEB COPY

Prayer: This Writ petition has been filed under Article 226 of the Constitution of India, praying to issue a writ of certiorarified mandamus to call for the records as made in R.C.No.315/B/2008, dated 15.07.2016 on the file of the second respondent calling upon the petitioner herein to remit a sum of Rs.72,34,753/- towards revised plot cost that was allotted in the year 2009 under the threat to cancel the allotment order made to the petitioner by the second respondent and consequently direct the respondent to execute the sale deed in favour of the petitioner in respect of Plot No.G. 14-B & C, SIDCO Industrial Estate, Kakalur Village, Thiruvallur District.

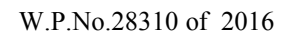
For Petitioner : M/s.G.R.M.Palaniappan

For R1 and R2 : M/s.S.P.Prabhakaran

ORDER

The petitioner has come up with this writ petition challenging the order passed by the 2nd respondent dated 15.07.2016 calling upon the petitioner to remit the further sum of Rs.72,34,753/- towards revised cost of the industrial plot allotted to it on 03.08.2009.

2. According to the petitioner that it was allotted with developed



3. According to the petitioner it paid a total sum of Rs.64,18,655/- as against the original cost of Rs.42,91,600/- in view of the delayed payment. According to the petitioner that subsequently by communication dated 21.05.2012 respondent made a further demand of Rs.10,60,065/- and the representative of the petitioner met the respondent in person and explained that they had paid the entire sum thereafter there was no communication from the respondent.



W.P.No.28310 of 2016

WEB COPY

4. Subsequently, the petitioner was served with impugned communication wherein it was called upon to pay an additional sum of Rs.72,34,753/- within two months towards the revised plot cost. Aggrieved by the same the petitioner has come up with this writ petition.

5. The learned counsel for the petitioner submitted that though the tentative cost of the plot fixed as per the allotment order was Rs.42,91,600/-, the petitioner end up with paying more amount namely Rs.64,18,655/- due to delayed payment. Subsequently, the respondent by communication dated 26.12.2014 informed the petitioner that their head office had organised a special campaign to issue a sale deed in favour of the allottees who has utilised their allotted plot for industrial purposes. The petitioner was instructed to furnish particulars mentioned in the annexure to the communication for getting permission for execution of sale deed after getting confirmation of the plot cost remitted by the petitioner. The learned counsel submitted that having proposed to execute sale deed in favour of the petitioner, later on it is not open to the respondent to demand a huge sum towards revised cost of the plot. The learned counsel further



W.P.No.28310 of 2016

WEB COPY

submitted that he paid entire cost together with interest on 27.03.2012 itself and hence the impugned order seeking further sum from the petitioner is untenable in law and liable to be quashed.

6. Per contra, the learned counsel for the respondent submitted that petitioner made delayed payment of Rs.43,46,665/- on 27.03.2012. The respondent received it towards part of the plot cost. The endorsement made in the receipt clearly shows the petitioner has not remitted the entire cost as on that date. The learned counsel for the respondent also has taken this Court to the undertaking letter given by the petitioner in a non judicial stamp paper dated 03.08.2009 wherein the petitioner undertook to pay the revised plot cost and some other cost, if any, on demand from the SIDCO. Therefore, the learned counsel for the respondent submitted that the petitioner having given such an undertaking to pay the revised cost of the plot on demand by the respondent corporation is not entitled to turn around and challenge the impugned order.

7. Heard the arguments of the learned counsel for the petitioner and the respondent. Perused the affidavit, counter and the typed set of papers filed by either parties.



W.P.No.28310 of 2016

WEB COPY

8. The close scrutiny of the letter of the allotment suggests that the cost mentioned therein is only tentative cost which is liable to be revised by the respondent on later date. The clause 2 of the letter of allotment assumes significance in the facts of the case which reads as follows:

"2. Notwithstanding anything contained in condition 1 above, if the cost of the developed plot is not paid in full before the time - limit granted by SIDCO or before the end of the financial year in which the allotment is issued, the plot cost shall be paid at the rate fixed, in respect of the land in the said Industrial Estate, for the financial year during which the plot of the cost is paid in full."

The reading of the clause 2 of the allotment letter suggest, if the entire cost of the plot is not paid by the allottee within the time limit, the plot cost shall be paid at the rate fixed relevant to the financial year during which the plot cost is paid in full. The petitioner was allotted with the plot in question on 03.08.2009. Admittedly, he remitted 25% of the cost on 19.11.2009 and he failed to pay remaining 75% within six months as



W.P.No.28310 of 2016

WEB COPY

stipulated by letter of allotment. He paid a further sum of Rs.10.00 lakhs on 24.02.2012 and another sum of Rs.43,46,665/- on 27.03.2012. Totally petitioner paid a sum of Rs.64,18,655/- which represents the original tentative cost of Rs.42,91,600/- + interest as per clause 1(b)(II) proviso 5 of the letter of allotment. Therefore, the tentative cost together with interest was paid only in the financial year 2012. As per clause 2 of allotment letter the plot cost has to be revised relevant to the financial year during which the plot cost was paid in full. The communication of the respondent to petitioner dated 16.09.2019 reads as follows:

"As you have paid the final tentative plot cost on 29.03.2012 i.e., beyond allowable period of one year, the land cost for the year 2011-12 had been adapted at the rate of Rs.1,68,24,500/- and you had been requested to pay difference in cost of Rs.11,14,535/-. But you have not paid the difference in cost.

Because of non payment of the difference in plot cost, the land cost has been revised by taking to the land cost for the year 2015-16 at the rate of Rs.3,04,92,000/- per acre and you had been requested to pay the difference in land cost along with interest of Rs.72,34,753/- vide



WEB COPY



W.P.No.28310 of 2016

reference 5th cited.

Against our demand you have filed WP No.28310/2016 and WMP No.24412/2016 in the Hon'ble Court of Madras vide reference 7th cited.

As per allotment condition No.2, if the cost of the plot cost is not paid in full before the time limit granted by SIDCO, the plot cost shall be paid at the rate fixed in respect of land of said industrial estate for the financial year during which the plot cost is paid in full.

Accordingly, as the plot cost is yet to pay in full, you are bound to pay difference in plot cost accordingly to present year (2018-2019) land cost at the rate of Rs.3,50,65,800/- per acre and as per this, this difference in cost works out to Rs.10352435/- which is more than demanded in 2012-13.

Meanwhile, vide reference 6th cited you have requested to consider waiver of difference in plot cost and requested to issue sale deed. Your case along with similar nature of cases have been placed before the Board of SIDCO.

After careful examination, it has been decided that the difference in plot cost has been worked out as follows:-

Final plot cost fixed : Rs.75,34,100/-

Tentative plot cost paid by the allottee: Rs.64,19,565/-



W.P.No.28310 of 2016

WEB COPY

Difference in plot cost : Rs.11,14,535/-

Hence your request has been considered subject to the following conditions.

1. You should pay an difference in plot cost of Rs.11,14,535/- with interest @ 15% from 30.03.2012 to till the date of payment.

2. You should withdraw the court case filed in the Hon'ble High Court."

9. In the communication referred above, the respondent clearly stated that when last payment was made by the petitioner in the year 2012, a sum of Rs.11,14,535/- was remained unpaid by the petitioner. Therefore, plot cost remained unpaid in full till the date of impugned order and consequently in the impugned order by taking into consideration the year 2015-16 as the base year for the calculation of the plot cost and the same was fixed at Rs.72,34,753/-. Now in the communication dated 2019 pending writ petitioner as the full cost of the plot remained unpaid taking the year 2018-19 as the base year plot cost is mentioned as Rs.75,34,100/- . If the amount already paid by the petitioner namely Rs.64,19,565/- is given credit too the petitioner is liable to pay Rs.11,14,535/- with interest at the rate of 15% from 30.03.2012 to date of payment.



W.P.No.28310 of 2016

WEB COPY

10. The reading of the communication made by the respondent and the conditions mentioned in the allotment order would suggest that so long as the full plot cost remains unpaid, for every financial year, there will be escalation of the price, taking that financial year as the base year for calculation. The impugned communication was issued by the respondent taking the year 2015-16 as the base year for calculation of the revised plot cost. The said approach of the respondent is fortified by clause 2 of the allotment order, which is binding on the petitioner. Therefore, there is no irregularity or illegality in the demand made by the respondent for payment of the extra cost which is protected by clause 2 of the allotment order. The petitioner has not made out any case for quashing the same and consequently the writ petition stands dismissed. No costs. Consequently, connected miscellaneous petition is closed.

28.10.2022

Index : Yes / No
Internet : Yes/ No
Speaking/Non-speaking Order
jai



W.P.No.28310 of 2016

WEB COPY

To

- 1.The Chairman & Managing Director,
Tamil Nadu Small Industries Development
Corporation Limited,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai-600 032.
- 2.The Branch Manager,
Tamil Nadu Small Industries Development
Corporation Limited,
SIDCO Branch Office,
SIDCO Industrial Estate,
Kakkalur, Thiruvallur-602 003.



WEB COPY



W.P.No.28310 of 2016

S.SOUNTHAR, J.
jai

W.P.No.28310 of 2016

28.10.2022