



Writ Petition No.30427 of 2016

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 6/12/2022

C O R A M

THE HONOURABLE MR.JUSTICE N. SATHISH KUMAR

Writ Petition No.30427 of 2016

V. Vaheesan

...

Petitioner

Vs

1. The Tamil Nadu Small Industries
Development Corporation Ltd
Thiru Vee Ka Industrial Estate
Guindy
Chennai 600 032.
2. The Branch Manager
The Tamil Nadu Small Industries
Development Corporation Ltd
SIDCO Industrial Estate, Gandhi Nagar
Vellore

...

Respondents

PRAYER : Petition filed under Article 226 of the Constitution of India
praying for the issuance of a writ of certiorari to call for the records relating
to the order of the second respondent dated 27/7/2016 in R.C.No.282/D/2010
and quash the same.



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For Petitioner ... Mr.Karthik Lakshman
for
Ms.AL.Ganthimathi

For respondents ... Mr.S.P.Prabhakaran

ORDER

This writ petition has been filed to quash the order, dated 27/7/2016, passed by the second respondent, in R.C.No.282/D/2010.

2. Brief facts which are relevant for the disposal of this writ petition are as follows:-

The petitioner had applied for allotment of a plot of the respondent Corporation. By Proceedings, dated 26/7/2010, first respondent had allotted Plot No.44, measuring an extent of 0.72.00 acres at SIDCO Industrial Estate, Mukundarayapuram, on outright sale basis. At the time of allotment, the total cost of the developed plots was fixed at Rs.8,44,350/- @ Rs.11,72,700/- per acre and was valid upto 31/3/2011. The difference in cost if any should be paid by the allottee as and when the cost was finalised. Plot was handed over to the petitioner on 7/3/2012.



3. The tentative cost per acre for the year 2010 – 11 has been revised at Rs.15,24,600/- per acre and the petitioner has requested to pay a sum of Rs.4,87,341/- towards difference in plot cost and the same has not been paid by the petitioner along with 13% interest from 31/8/2015 totalling for an amount of Rs.5,29,401/-. Again the petitioner was issued with a final show cause notice alleging that the petitioner has not paid the difference in cost and calling upon the petitioner to make payment of Rs.4,87,341/- along with 30% interest from the date of 1/9/2015 totalling to an amount of Rs.5,45,416/-. Under the allotment order, cost is valid upto 31/3/2011 and the petitioner has paid the entire cost on 15/2/2011. Since the revised rate for the year 2010 – 2011 is not applicable to the petitioner, the petitioner has come forward with the instant writ petition, praying for the relief as stated therein.

4. In the counter, it is stated that as per the allotment order, the petitioner has to pay 25% of the cost for developed plot of Rs.2,11,100/- (Rupees two lakhs eleven thousand and one hundred only) within two months from the date of issue of the said order. No further extension of time will be granted for the payment of plot cost after the expiry of two months. 75% of the cost developed plot of Rs.6,33,250/- (Rupees Six lakhs thirty three thousand two hundred and fifty only) shall be paid within six months from the



date of issue of the said order.

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5. It is further stated in the counter affidavit that the petitioner has paid only 25% of the plot cost of Rs.2,11,100/-, on 22/9/2010 and it was well within the stipulated time, as mentioned in the allotment order. The petitioner had paid the remaining 75% of the plot cost along with the interest for the delayed period for a sum of Rs.4,574/- vide, letter, dated 15/2/2011.

6. It is further stated that as per the procedure laid down by the Government, land cost in respect of the Industrial Estate, Mukundaarayapuram was fixed at Rs.15,24,600/- per acre for the year 2010 – 11. The plot cost is subject to revision and the same has been accepted by the petitioner. The petitioner had paid 25% of the Plot cost, but the remaining 75% has been paid with interest stipulated for the delayed period.

7. Heard Ms.AL.Ganthimathi, learned counsel for the petitioner and Mr.S.P.Prabhakaran, learned Standing Counsel for the respondents.

8. The learned counsel appearing for the petitioner contended that the



petitioner had paid the sum of Rs.2,11,100/- on 22/9/2010 and Rs.6,27,830/- on 15/2/2011 which covers the entire cost of the plot as per the allotment order. Subsequently, the petitioner was called upon to pay a sum of Rs.1,49,300/- and the same was also paid on 27/2/2012. The agreement was entered into between the petitioner and first respondent on 29/9/2011 and the plot was handed over to the petitioner on 7/3/2012.

9. The respondent Corporation has revised the cost of the plot on its own and issued letters to the petitioner on 28/3/2016 that the difference in cost of Rs.4,87,341/- for the year 2010 – 2011 to SIDCO has to be paid by the petitioner immediately. Since the petitioner had not paid the amount, he was called upon to remit a sum of Rs.5,13,739/- with interest upto 31/3/2016 and to furnish a Letter of Undertaking in Rs.100/- stamp paper failing which action will be taken as per allotment order conditions.

10. The learned counsel appearing for the respondent Corporation submitted that s the respondent/TANSIDCO is a Corporation registered under the Companies Act, Board Resolution and Circular issued on the Board Resolution will have the binding on the procedures. Final show cause notice, dated 27/7/2016 has been issued as per the terms in the Allotment order



issued by the first respondent. Moreover, the petitioner himself has agreed to pay the difference in Plot cost.

11. The only point that arises for consideration is

“Whether the administrative charges include in the land cost, though it was revised later?”

12. Allotment order for plot - outright, dated 26/7/2010, reads as follows:-

“1 (a). The tentative cost of the developed plot(s) is Rs.8,44,350/- at the rate of Rs.1172700 per acre which is inclusive of SIDCO's Administrative charges. The above said cost is valid upto 31/3/2011. The difference in cost if any should be paid by the allottee as and when the cost is finalized.

(b). The tentative cost of the developed plot shall be paid in the manner indicated below:

(i). 25% of the cost developed plot of



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Rs.2,11,100/- (Rupees two lakhs eleven thousand and one hundred only) shall be paid within two months from the date of issue of this order. No further extension of time will be granted for the payment of plot cost after the expiry of two months from the date of issue of this order.

(ii). 75% of the cost developed plot of Rs.6,33,250/- (Rupees Six lakhs thirty three thousand two hundred and fifty only) shall be paid within six months from the date of issue of this order.”

13. On a perusal of the same, land cost fixed by the Tamil Nadu Small Industries Development Corporation Ltd., is inclusive of the SIDCO's administrative charges. Though the land cost was revised, later it included the administrative charges. Therefore, it cannot be said that administrative charges has to be calculated separately. When the G.O., approving the revised land cost, there is no mention about separate administrative charges other than the land cost.

14. Learned counsel appearing for the respondents pointed out that SIDCO is entitled to 15% of service charges. It is not the case of the



respondents that they have calculated on the basis of the charges as per the Resolution. It is the specific contention of the respondents that only towards the administrative charges, amount has been calculated.

15. The petitioner has submitted the calculation of outstanding payment to be paid by the petitioner is as follows:-

Extent of Plot	0.72 acres
Excess extent	0.12.73 acres
Original cost fixed	Rs.11,72,700/- per acre
Cost of petitioner land	Rs.8,44,350/- (0.72 acres)
Additional cost	Rs.1,49,300/- (0.12.73 acres)
Total	Rs.9,93,650/- ((0.84.73 acres)
PAYMENTS	
22/9/2010	Rs.2,11,100/-
15/2/2011	Rs.6,27,830/-
27/2/2012	Rs.1,49,300/-
Total	Rs.9,88,230/-
Revised cost per acre	Rs.15,24,600/-
Revised cost of petitioner land	Rs.12,91,174/-

Revised cost	...	Rs.12,91,174/-
Less	...	Rs. 9,88,230/-

		Rs. 3,03,564/-

16. The calculation of the respondent Board is as follows:-



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Land cost per acre at IE Mukuntharayapuram for the year 2010 – 11 (as per H.O. Circular No.8930/IE-1/2013 dated 6/12/2013	Rs.15,24,600/-
Add 15% administrative charges	Rs.2,28,695/-
Land cost per acre (incl. Of administrative charges)	Rs.17,53,290/- Rounded to Rs.17,53,300/-
Therefore, cost for 8.73 cents	Rs.14,85,571/-
LESS: Tentative allotted cost paid by allottee (including EMD Rs.10,000 for 84.73 cents)	Rs.9,98,230/-
Difference in land cost to be collected (as per H.O.Circular No.4431/1E-7/2010 dated 31/8/2015)	Rs.4,87,341/-
13% interest from 31/8/2015 to 31/7.2016 – 330 days.	Rs.58,075/-
Total	Rs.5,45,416/-

17. On a careful perusal of the calculations produced by both sides, would indicate that extent of plot and original cost fixed at the petitioner's land is not disputed. The respondent has calculated 15% additional administrative charges. If the same is read in consonance with the allotment order, the additional administrative charges is not permitted even in the allotment order. The land cost revised is inclusive of the administrative charges. Even, as per the conditions under the allotment order, the cost is valid upto 31/3/2011 only



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and the petitioner has paid the entire cost on 15/2/2011 itself. Hence the revised rate for the year 2010 – 11 is not applicable to the petitioner. In such a view of the matter, the demand raised by the respondents is liable to be quashed.

18. Accordingly, this **writ petition is allowed** and the order, dated 27/7/2016 passed in R.C.No.282/D/2010 by the second respondent is quashed. No costs.

6/12/2022

Index : Yes / No

Internet: Yes

Speaking/non speaking order

mvs.

To



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