IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.07.2022

CORAM

THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN

W.P.NO.38643 OF 2016
AND
W.M.P.NOS.33102 & 33103 OF 2016

M/s.Shreevatsa Fastners Private Limited,
Represented by its Managing Director R.Ravi
Shed No.35-A, SIDCO Industrial Estate,
Kakkalur, Tiruvallur - 602 003.

... Petitioner

vs.

1. The Tamil Nadu Small Industries
 Development Corporation,
 Represented by its Managing Director,
 ThiruViKa Industrial Estate,
 Near Sidco Electronics Complex,
 Guindy, Chennai - 600 032.

2. The Branch Manager,
 Sidco Branch Office,
 Industrial Estate,
 Kakkalur - 602 003.

... Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari, to call for the records on the file of the 2nd respondent in its proceedings in R.C.No.723/B/2011 dated 20.09.2016 pursuant to the demand dated 18.07.2016 and quash the same as void, illegal, unjust and against the principles of natural justice.

For Petitioner : Mr.M.Himavanth

For Respondents : Mr.M.J.Jaseem Mohamed

# O R D E R

The challenge in this writ petition is to the demand raised by the Tamil Nadu Small Industries Development Corporation against the petitioner seeking payment of a sum of Rs.29,24,364/- towards revised plot cost in respect of Developed Plot bearing D.P.No.G 63 B allotted to the petitioner in the Industrial Estate, Kakkalur.

2. The petitioner was allotted a plot of land measuring 14.83 cents in Industrial Estate, Kakkalur vide proceedings dated 27.07.2009. The original allotment required the petitioner to pay 25% of the land cost within a period of two months and the balance 75% within a period of six months from the date of receipt of the said order of allotment.

3. While the two months period expired on 27.09.2009, the six months period expired on 27.01.2010. The petitioner did not pay the cost as required. The petitioner sought for extension. The extension application was considered favourably by the respondent Corporation and the petitioner was required to pay the plot cost with delayed payment interest at 13% per annum on or before 31.10.2011. On 31.10.2011, the petitioner paid a sum of Rs.15,97,000/-. The petitioner had already paid a sum of Rs.10,000/- towards EMD. Therefore, the total amount that stood to the credit of the petitioner on 13.10.2011 was Rs.16,07,000/-.

4. After the said payment, the Corporation demanded a further sum of Rs.2,26,526/- from the petitioner. The petitioner did not pay the same. A further demand was made on 11.09.2012 requiring the petitioner to pay Rs.4,30,025/-. That demand was not honoured by the petitioner. Thereafter, the petitioner approached the Corporation on 18.03.2015 stating that those demands were unjust in as much as the entire land cost was paid on 31-10-2011. It is after the representation dated 18.03.2015, the petitioner was served with the present demands dated 18.07.2016 and 20.09.2016 which are subject matter of challenge in this Writ Petition.

5. Mr.M.Himavanth, learned counsel appearing for the petitioner would vehemently contend that the entire calculation is erroneous. According to him, on the date when the petitioner paid a sum of Rs.15,97,000/- i.e., 31.10.2011, the entire land cost was paid and therefore the subsequent demands are not justified.

6. The learned counsel for the respondent viz., the Corporation would contend that since the petitioner had not

complied with the demands made, the allotment is liable to be cancelled and if at all the petitioner wants reconsideration of the cancellation, the same would be done on payment of the land cost as of today, which works out to Rs.52,00,258/-.

7. The claim of the petitioner appears to be just and reasonable. The claim of the Corporation is highly technical and it is based on a rather strict interpretation of the allotment orders ignoring the subsequent circulars issued by the corporation conferring certain benefits on the allottees. The learned counsel for the respondent Corporation has produced a circular dated 10.01.2014, wherein, the Corporation has evolved a comprehensive plan for extension of time to the allottees to pay the plot cost. The said circular provides for a modified procedure to those allottees who had paid 50% of the plot cost along with belated payment interest. Though the petitioner had not paid more than 50% of the land cost within a year from the date of allotment, it would qualify as a allottee who had paid the same since the petitioner has paid more than 90% of the land cost with belated payment interest within the extended time on 31-10-2011.

8. The plot cost originally fixed was Rs.13,30,700/-. The petitioner ought to have paid 25% of the plot cost by 27.09.2009 and 75% of the plot cost by 27.01.2010. The petitioner had paid a sum of Rs.15,97,000/- on 31.10.2011 viz., within the extended time. Therefore, the petitioner has paid more than 90% of the plot cost. Of the sum of Rs.15,97,000/-, interest payable by the petitioner for the belated payment is Rs.3,17,152/-. So the balance amount of Rs.12,79,848/- has been paid by the petitioner towards land cost. If we add EMD paid by the petitioner, the total amount paid towards land cost will be Rs.12,89,848/- out of Rs.13,30,700/-. It is therefore clear that the petitioner had paid more than 90% of the land cost as on 31.10.2011. Therefore, the petitioner would be entitled to the benefits of the circular, wherein the modified procedure is prescribed.

9. As per the said modified procedure, the extent of land in proportion to the land cost paid (excluding interest) has to be calculated and for the remaining land, the revised cost is payable. The cost payable for the remaining land is to be calculated as follows:

(i) the cost of the land on the date of original allotment with belated payment interest at 13% per annum is to be calculated;

(ii) the revised cost of the remaining land at the relevant point of time is to be ascertained;

the allottee has to pay the higher of that two viz., the revised cost for the remaining extent or the unpaid portion of original cost with delayed payment interest. If the allottee pays the amount within a period of 2 months the allotment could be revived.

10. As I had already pointed out, the petitioner has paid a sum of Rs.12,89,848/- towards land cost that is equivalent to the value of the extent of 14.37 cents out of 14.83 cents that was allotted to the petitioner. So the remaining land for which the petitioner has to pay the revised cost as calculated under clause 3 and 4 of the circular is 0.46 cents. If thus calculated, the cost of balance of land for which the petitioner has not made any payment, as per the revised cost in 2022-2023, would be Rs.1,75,330/-. If the petitioner pays that sum of Rs.1,75,330/- within a period of two months, the allotment should be finalized in favour of the petitioner.

11. In view of the above, I conclude that the petitioner is entitled to the benefits of modified scheme under the circular dated 10.01.2014 and the impugned demands are quashed. The Writ Petition is disposed of with the following directions:

The petitioner shall pay a sum of Rs.1,75,330/- within a period of two months from today. Upon such payment, the respondent Corporation will finalize the allotment in favour of the petitioner and execute a sale deed. It is made clear that the petitioner shall pay the other charges which are payable for execution of the sale deed. No costs. Consequently, the connected Writ Miscellaneous Petitions are closed.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

dsa

To

1. The Managing Director,
   Tamil Nadu Small Industries
   Development Corporation,
   ThiruViKa Industrial Estate,
   Near Sidco Electronics Complex,
   Guindy, Chennai - 600 032.

2. The Branch Manager,
   Sidco Branch Office,
   Industrial Estate,
   Kakkalur - 602 003.

+1cc to Mr.M.J.Jaseem Mohamed, Advocate, S.R.No.43356

+1cc to Mr.P.Vasanth, Advocate, S.R.No.43402

W.P.No.38643 of 2016
and
W.M.P.Nos.33102 & 33103 of 2016

SSD(CO)
RLP(19/07/2022)