



WEB COPY

W.P(MD).No.23598 of 202



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 26.10.2022

CORAM

THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P(MD).No.23598 of 2022

and

W.M.P(MD)Nos.17669 and 17670 of 2022

GRV Packages Private Limited,
Represented by its Authorized Signatory,
Vasanth George Reji,
No.16/61-B, Vasantha Bawan,
Simon Nagar, Nagercoil,
Kanyakumari-629 004.

... Petitioner

Vs.

1.The State Industries Promotion Corporation
of Tamil Nadu Limited (SIPCOT),
Represented by its
The Managing Director,
19-A, Rukmani Lakshmipathy Road,
Post Box No.7223,
Egmore, Chennai-600 008.

2.The Project Officer,
SIPCOT Industrial Park,
Gangaikondan,
Tirunelveli District.

...Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, to call for the order, dated 26.09.2022 made in proceedings in P-III/SIP-GKN/GRV Packages/2022 on the file of the 1st Respondent herein and quash the same



W.P(MD).No.23598 of 202

and further direct the Respondents to grant the Petitioner an extension of three months for payment of the balance plot cost as per the allotment order, dated 12.07.2022 made in proceedings in P-III/SIP-GKN/GRV Packages/2022.

For Petitioner : Mr.Y.Prakash
For Respondents : Mr.N.Adithiya Vijayalayan
Standing Counsel

ORDER

This writ petition is filed challenging the order, dated 26.09.2022 and further directing the Respondents to grant extension of three months time to the Petitioner for payment of the balance plot cost as per the allotment order, dated 12.07.2022 made in proceedings in P-III/SIP-GKN/GRV Packages/2022.

2. The Petitioner is a Private Limited Company, incorporated in the year 2021 and promoted by its shareholders for establishing a small scale industry to manufacture corrugated boxes used for packing/packaging a wide range of goods by the consumer industry. The Petitioner intends to employ a considerable workforce, which in turn would create job opportunities to the local people in and around Tirunelveli and Kanyakumari Districts. The Petitioner submits that for the purposes of setting up the industry, they were looking for a suitable place in and around Tirunelveli District. While so, they



came to understand that certain developed plots are available with the Respondents in SIPCOT Industrial Park at Gangaikondan, Tirunelveli District for allotment with subsidy provided by the Government. The Petitioner applied for allotment of two developed plots, viz Plot Nos.C71 & C75 through online portal on 19.05.2022. The Petitioner submitted all the requisite details sought for in the application and also made a payment of Rs.1,44,800/- towards initial deposit, processing fess, GST etc., as per the requirement of the Respondents.

3. The Petitioner submits that on consideration of the application submitted by the Petitioner, the 1st Respondent came forward to allot one of the plots applied for viz., Plot No.C-71 admeasuring 1.33 acres and intimated the same to the Petitioner vide allotment order, dated 12.07.2022. In the allotment order, the plot cost was fixed at Rs.13,30,000/- after extending the subsidy provided by the Government. After adjusting the initial deposit of Rs.1,33,000/- made at the time of submitting the application, the 1st Respondent indicated in the allotment order that the balance amount payable would be Rs.11,97,000/- along with a sum of Rs.66,500/- towards caution deposit and Rs.100/- towards lease rent in advance, totalling a sum of Rs.12,63,600/-. It is further indicated that the Petitioner should submit an



acceptance letter within 7 days and pay the entire sum within a period of 30 days (due date 10.08.2022) from the date of allotment failing which the allotment order stands automatically cancelled.

4. The Petitioner submits that though he felt that the time duration of 30 days is very limited, the Petitioner thought that they could raise funds within the stipulated time as they were expecting some pending payments. Hence, the Petitioner went ahead and made the payment towards caution deposit of Rs.66,500/- on 03.08.2022 and further paid Rs.50,000/- and Rs.2,00,000/- respectively on 03.08.2022 and 04.08.2022 towards the land cost as part payments. The Petitioner also paid a sum of Rs.100/- as advance lease rental as stipulated. The Petitioner had made payment of Rs.4,49,600/- to the Respondents out of the sum of Rs.12,63,600/- and the balance sum payable to the Respondents is Rs.9,47,000/-.

5. The Petitioner submits that since the loan processing time with the bank was taking time, the Petitioner submitted his representation, dated 10.08.2022 by giving particulars about the payments made and sought for extension of time for payment of the balance due by a further period of 2 months. The Petitioner further met the officials of the Respondents and



explained their position and sought for extension of time for making the balance payment.

6. In the meanwhile, the Petitioner approached the Tamil Nadu Industrial Investment Corporation (TIIC) for loan under the General Scheme for the purchase of the allotted land. As per the request of Tamil Nadu Industrial Investment Corporation (TIIC), dated 20.09.2022, the Petitioner submitted a detailed project plan which is under scrutiny by TIIC. The officials of TIIC informed the Petitioner that they would consider the loan application favourably, but they would require minimum of two months time to process the same as per their norms and regulations. Hence, the Petitioner sent another representation, dated 19.09.2022 to the 1st Respondent informing about the loan application submitted with the Tamil Nadu Industrial Investment Corporation (TIIC) and seeking for extension of two months time for making the balance land cost.

7. The Respondents issued the impugned order of cancellation of allotment, dated 26.09.2022 by e-mail, without considering or passing orders on the representations of the Petitioner, informing the Petitioner that allotment of the Plot No.C-71 stands automatically cancelled as the Petitioner has not



remitted the Plot cost within the stipulated time. Though the Petitioner immediately contacted the Respondents to reconsider the cancellation order, the Respondents refused to do so. Hence, the present writ petition.

8. It is submitted by the learned counsel for the Petitioner that they had approached Tamil Nadu Industrial Investment Corporation (TIIC) seeking loan to ensure the payment of balance amount. It is also submitted that if they are granted extension by eight weeks for payment of the balance amount, they would be in a position either to secure a loan or mobilise funds and remit the balance sum of Rs.9,47,000/-.

9. This Court finds that the delay in making the payment is only in view of the fact that Tamil Nadu Industrial Investment Corporation (TIIC) is taking time in processing/sanctioning the loan. In any view to demonstrate the bonafide, the Petitioner shall make a deposit of Rs.1,00,000/- within a period of two weeks from today subject to complying with the above condition. The Petitioner shall be permitted to make payment of remaining sum of Rs.8,47,000/- within a period of eight weeks from today. The impugned order, dated 26.09.2022 is set aside. If the Petitioner fails to comply with the above order, the cancellation of allotment order shall stand revived.



WEB COPY

10. With the above observation, the writ petition stands disposed of. No costs. Consequently, the connected miscellaneous petitions are closed.

26.10.2022

Index : Yes / No
Internet : Yes/ No
sn

Note: Issue order copy on 01.11.2022

To

1.The Managing Director,
The State Industries Promotion Corporation
of Tamil Nadu Limited (SIPCOT),
19-A, Rukmani Lakshmipathy Road,
Post Box No.7223,
Egmore, Chennai-600 008.

2.The Project Officer,
SIPCOT Industrial Park,
Gangaikondan,
Tirunelveli District.



WEB COPY



W.P(MD).No.23598 of 202

MOHAMMED SHAFFIQ, J.

sn

W.P(MD).No.23598 of 2022

26.10.2022