



WEB COPY



W.P. No. 20604 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.10.2023

CORAM

THE HON'BLE MR. JUSTICE P.D. AUDIKESAVALU

**W.P. No. 20604 of 2023
and
W.M.P. No. 19989 of 2023**

N.Sivashankar

... Petitioner

-VS-

1. The Managing Director,
Tamil Nadu Small Industries Development
Corporation Limited,
SIDCO Corporate Office Building,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai – 600032.

2. The Branch Manager,
Tamil Nadu Small Industries Development
Corporation Limited,
Branch Office: SIDCO Industrial Estate,
Krishnagiri – 635001.

... Respondents

Prayer:- Writ Petition filed under Article 226 of the Constitution of India, 1950, praying to issue a Writ of Certiorarified Mandamus, calling for the records of the First Respondent herein relating to RC. No. 2194/IE-II-4/2021-1, dated 26.05.2023 and quash the same and consequently direct the Respondents herein to re-allot the plot bearing No. 113 in the Industrial Estate, Hosur(New) at the cost of Rs. 2,53,47,800/- (Rupees Two Crores Fifty Three Lakhs Forty



W.P. No. 20604 of 2023

Seven Thousand Eight Hundred only) without insisting any interest for belated payment, within the time to be stipulated by this Court.

For Petitioner : Mr. R.Bharath Kumar

For Respondents : Mr. B.Ananda Kumar,
Standing Counsel

ORDER

Heard Mr. R.Bharath Kumar, Learned Counsel for the Petitioner and Mr. B.Ananda Kumar, Learned Standing Counsel for the Respondents and perused the materials placed on record, apart from the pleadings of the parties.

2. The Petitioner was allotted Plot No. 113 measuring an extent of 0.231 acres situated in Industrial Estate, Hosur by Proceedings in RC. No. 7584/IE1/2020-69 dated 19.01.2021 by the First Respondent on outright basis with a condition that 25% of the plot cost has to be paid within a period of 2 months from the date of allotment order i.e., on or before 18.03.2021, and the balance 75% of the plot cost has to be paid within a period of 6 months from the date of allotment i.e., on or before 18.07.2021. Since there was default in paying the plot cost in entirety despite notices dated 05.04.2021, 01.12.2021 and 09.01.2023, the First Respondent by Proceedings No. Rc. No. 2194/IE-II-4/2021/1 dated 26.05.2023 cancelled the said allotment made in favour of the



W.P. No. 20604 of 2023

Petitioner pursuant to the recommendation in Proceedings Lr. No. 55/B/2021

dated 09.02.2023 sent by the Second Respondent, which is challenged in this

Writ Petition with a consequential direction to re-allot the said plot to the Petitioner at the cost of Rs. 2,53,47,800/-, without insisting on interest for belated payment.

3. Learned Counsel for the Petitioner strenuously contends that on account of the COVID pandemic, the Petitioner was not able to remit the balance amount of plot cost and the request for waiver of interest was not acceded by the Respondents. It is further highlighted that the Respondents have not provided the basic amenities for the industrial plot and in the absence of which it would not be possible for the Petitioner to take up construction in the property and commence production.

4. At the outset, it must be recapitulated that the Hon'ble Supreme Court of India in the decision in ***Indu Kakkar -vs- Haryana State Industrial Development Corporation Ltd.*** [(1999) 2 SCC 37] has ruled that the allotment making authority would be justified in resuming the plot from the allottee who cannot claim any right to remain in occupation without performing his obligation to make payment of the plot cost and utilize that property for



W.P. No. 20604 of 2023

industrial purpose for which avowed object it has been established. This would obviously mean that the Respondents cannot be faulted in cancelling the allotment made in favour of the Petitioner when he has not carried out his obligations to pay the full amount of plot cost, complete construction and commence commercial production within the stipulated time frame in this case.

5. The terms of the allotment are unequivocal and categoric that an allottee would have to pay the entire plot cost within the agreed time limit and any delay would entail payment of interest to compensate the Respondents for the deprivation of money during the period. The Petitioner cannot wriggle out of his obligation by refusing to pay the balance plot cost with interest for delayed payment under the guise of lack of amenities, especially when he was expected to have visited the site to ascertain its physical features before seeking its allotment in his favour. Though interim order of injunction restraining the Respondents from allotting the said plot to third parties was granted on 12.07.2023 and was subsequently extended on 26.07.2023, 10.08.2023, 24.08.2023, 07.09.2023 and 21.09.2023, the Petitioner has not paid the remaining amount of plot cost till date. The COVID pandemic situation, which was cited as prevailing at the time when the payments had to be made, no longer exists. The Petitioner has not shown his *bonafides* to remit the balance amount



W.P. No. 20604 of 2023

of plot cost due till date and it is not his case that he would remit the balance amount due within any specified time limit with interest at the agreed rate.

6. In such circumstances, there does not appear to be any infirmity in the decision-making process of the Respondents in cancelling the allotment made in favour of the Petitioner for valid and cogent reasons warranting interference by this Court in the exercise of discretionary powers of judicial review under Article 226 of the Constitution.

In the result, the Writ Petition, which is devoid of merits, is dismissed. The interim order earlier granted on 12.07.2023 and was subsequently extended on 26.07.2023, 10.08.2023, 24.08.2023, 07.09.2023 and 21.09.2023 stands vacated. Consequently, the connected Miscellaneous Petition is closed. No costs.

12.10.2023

Note: Issue order copy by 31.05.2024.

Index: Yes/No

NCC: Yes/No

kv



W.P. No. 20604 of 2023

To

WEB COPY

1. The Managing Director,
Tamil Nadu Small Industries Development
Corporation Limited,
SIDCO Corporate Office Building,
Thiru-Vi-Ka Industrial Estate,
Guindy, Chennai – 600032.
2. The Branch Manager,
Tamil Nadu Small Industries Development
Corporation Limited,
Branch Office: SIDCO Industrial Estate,
Krishnagiri – 635001.



W.P. No. 20604 of 2023

P.D. AUDIKESAVALU, J.

kv

W.P. No. 20604 of 2023

12.10.2023