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Writ Petition No.34641 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.06.2023

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Writ Petition No.34641 of 2022

and

W.M.P.No.34085 of 2022

M/s.Autolinks
represented by its Proprietor
Mr.R.Sivakumar
Nos.87 to 90 and 98 to 101,
Krishna Industrial Estate,
Mettukuppam,
Vanagaram, Chennai - 600 095.

...Petitioner

Vs

1.Tamil Nadu Small Industries Development
Corporation Ltd., [TANSIDCO],
represented by the Managing Director,
SIDCO Corporate Office,
Thiru Vi Ka Industrial Estate,
Guindy, Chennai - 600 032.

2.Tamil Nadu Small Industries Development
Corporation Ltd., [TANSIDCO],
represented by the Branch Manager,
SIDCO Branch Office,
SIDCO Industrial Estate,
Machuvadi, Pudukottai - 622 004.

... Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India,



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to issue a Writ of Certiorarified Mandamus calling for entire records pertaining to issuance of the impugned order in RC No.72/A/2020 passed by the second respondent dated 11.03.2022 and quash the same consequentially direct the respondents 1 and 2 to execute the sale deed in favour of the petitioner within a stipulated time for the lands at Plot No.39 (0.508 acre) and Plot No.40 (0.563 acre) at SIDCO Industrial Estate, Mathur (New), Pudukkottai District having total extent of 1.071 acres vide Allotment order dated 29.01.2019 in R.C.No.5052/IE-3/2018 by the first respondent herein.

For Petitioner : Mr.C.Umashankar

For Respondents : Mr.K.Madhu
Standing Counsel

ORDER

The subject matter of challenge in this writ petition pertains to the impugned proceedings dated 11.03.2022 issued by the second respondent directing the petitioner to pay the difference in land cost to the tune of Rs.25,42,900/- for the plots allotted to the petitioner at SIDCO Industrial Estate, Mathur (New), Pudukkottai District and for a consequential direction to the respondents to execute a sale deed in favour of the petitioner.

2. Heard Mr.C.Umashankar, learned counsel appearing for petitioner and Mr.K.Madhu, learned Standing Counsel appearing for respondents.



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3. The case of the petitioner is that the petitioner approached the respondents and expressed their interest for setting up an automobile component manufacturing unit in SIDCO Industrial Estate, Mathur (New), Pudukottai District. On scrutinizing the application, plot Nos.39 and 40 totally measuring an extent of 1.071 acres was allotted to the petitioner through allotment order dated 03.10.2018. As per the allotment order, the tentative cost of the developed plot was Rs.52,48,200/- (Rs.49,00,200/- per acre). It was also made clear that the amount fixed is only a tentative cost and SIDCO reserved their right to revise the amount payable. The petitioner was also directed to give an undertaking in a stamp paper agreeing to pay the difference in land cost if any demanded by the Tamil Nadu Small Industries Development Corporation Limited [for brevity 'TANSIDCO'].

4. The petitioner had paid the tentative cost of Rs.52,48,200/-. While so, the petitioner received the impugned letter dated 11.03.2022 directing the petitioner to pay the difference in land cost to the tune of Rs.25,42,900/- in order to process the request made by the petitioner for execution of sale deed in their favour.



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5. The petitioner has challenged the demand made by the respondents for the difference in land cost of Rs.25,42,900/- mainly on the ground that there was no basis for claiming such an exorbitant cost and hence, the petitioner has sought for the interference of this Court upon the demand made by the respondents through the impugned letter dated 11.03.2022.

6. When the matter came up for hearing on 14.06.2023, this Court passed the following order:

"Heard learned counsel appearing on either side.

2. The final cost has been fixed by TANSIDCO based on the decision that was taken in the 300th meeting of the Board of Directors. On going through the same, it is seen that for 10 TANSIDCO Industrial Estates where there is a vacancy, which also includes Mathur New Estate at Pudukottai District, it is mentioned that the last paid cost must be retained. According to learned counsel for petitioner, there is a vacancy and hence, the last paid cost to the tune of Rs.49,00,200/- is payable by the petitioner and the cost of Rs.72,74,600/- will only apply where no vacancy exists. It is only based on this, the petitioner has been directed to pay the difference in cost of Rs.25,42,900/-.

3. Learned Standing Counsel appearing on behalf of the respondents is directed to specifically take instructions as to whether there is any vacancy. In the absence of any vacancy, the petitioner has to necessarily pay the differential cost since the petitioner has been specifically informed that the initial cost that was fixed was only tentative and the petitioner has also undertaken to pay the final cost as and when it is fixed.



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Post this writ petition under the caption 'for orders' on 21.06.2023."

7. When the matter was taken up for hearing today, learned Standing Counsel appearing on behalf of the respondents placed the recommendation that was made by the Board based on which a decision was taken in the 300th meeting of the Board of Directors of TANSIDCO. On carefully going through the recommendation, it is seen that the last paid cost was fixed at Rs.72,74,600/- per acre as the plot cost. When this recommendation was placed before the Board during the 300th meeting, the Board independently dealt with the same and the following was approved by the Board:

"For 10 TANSIDCO Industrial Estates where there is vacancy exist Last paid cost is retained where the allottees had paid the tentative cost which is higher than the last fixed cost."

8. Learned counsel for the petitioner submitted that the Board after considering the recommendation made by TANSIDCO decided to approve to the effect that where there is vacancy existing, last paid cost must be retained where the allottees had paid the tentative cost which is higher than the last fixed cost. According to learned counsel for petitioner, the tentative cost was fixed at Rs.49,00,200/- since the petitioner was allotted nearly 1.071 acres. Insofar the last fixed cost is concerned, the learned counsel



brought to the notice of this Court the circular memo dated 21.06.2017 wherein it is fixed as Rs.49,00,200/-. In view of the same, it was contended that the petitioner had paid the tentative cost which was not less than the last fixed cost and hence, the last paid cost must be retained even as per the resolution that was passed by the Board during the 300th meeting. As a consequence, the learned counsel submitted that the respondents should not demand for any difference in cost from the petitioner and they must be directed to execute the sale deed in favour of the petitioner.

9. *Per contra*, learned Standing Counsel appearing on behalf of the respondents submitted that the last fixed cost is Rs.72,74,600/- and the tentative cost paid by the petitioner is much lesser than the last fixed cost and hence, the petitioner is bound to pay the difference in cost as demanded in the impugned letter that has been put to challenge. Learned Standing Counsel further submitted that the petitioner had already undertaken to pay the difference in cost even when the allotment order was issued and hence, the petitioner cannot be allowed to wriggle out of the undertaking.

10. The short issue that arises for consideration in this case is the



determination of the last fixed cost. If the last fixed cost is lesser than the tentative cost paid by the petitioner, the cost that was already paid by the petitioner must be retained and there is no question of demanding any difference in cost from the petitioner. On the other hand, if the last fixed cost is higher than the tentative cost, the petitioner has to necessarily pay the difference in cost as demanded in the impugned letter dated 11.03.2022. In short, this Court has to get a clarity as to whether the last fixed cost is Rs.49,00,200/- or it is Rs.72,74,600/- per acre.

11. The circular memo dated 21.06.2017 states that the last fixed cost was Rs.49,00,200/-. The allotment was made to the petitioner through an allotment order dated 03.10.2018. In view of the same, the circular memo dated 21.06.2017 cannot be the basis to determine the last fixed cost. This Court must only see what was the last fixed cost for the period 2018-2019. Insofar as that is concerned, learned counsel for the respondent has relied upon the circular memo dated 20.12.2021 which shows that the cost fixed for the years 2018-19, 2019-20 and 2020-21 for Mathur (New), Pudukottai District, is Rs.72,74,600/-. In the considered view of this Court, it is this cost which must be taken to be the last fixed cost.



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12. In the light of the above discussion, the last fixed cost of Rs.72,74,600/- is much higher than the tentative cost that was paid by the petitioner at the rate of Rs.49,00,200/- per acre at the time of allotment. Hence, the petitioner has to necessarily pay the difference in cost to the respondents.

13. The upshot of the above discussion leads to the only conclusion that there is no illegality in the demand made by the respondents through letter dated 11.03.2022 and the petitioner is bound to pay the difference in cost as undertaken by the petitioner at the time of allotment of the plots. The petitioner is directed to pay the difference in land cost to the respondents within a period of four (4) weeks from the date of receipt of a copy of this order and on receipt of the same, the respondents are directed to execute the sale deed in favour of the petitioner with reference to the plots allotted to the petitioner. It is also made clear that the sale deed shall be executed within a period of three (3) weeks from the date on which the petitioner pays the difference in land cost to the respondents.



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This writ petition is disposed of in the above terms. No costs.

Consequently, connected miscellaneous petition is closed.

21.06.2023

Index : Yes/No

Speaking order: Yes/No

Neutral citation: Yes/No

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To

1. The Managing Director,
Tamil Nadu Small Industries Development
Corporation Ltd., [TANSIDCO],
SIDCO Corporate Office,
Thiru Vi Ka Industrial Estate,
Guindy, Chennai - 600 032.

2. The Branch Manager,
Tamil Nadu Small Industries Development
Corporation Ltd., [TANSIDCO],
SIDCO Branch Office,
SIDCO Industrial Estate,
Machuvadi, Pudukottai - 622 004.

N.ANAND VENKATESH, J

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