



W.P. (MD) No. 2413 of 2021

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 09.01.2023

CORAM

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

W.P. (MD) No. 2413 of 2021

and

W.M.P. (MD) Nos. 1991, 1992 and 10714 of 2021

K.Chinadurai
M/s. Durai Plast,
No. C-13, Veerabagu Nagar,
Pettai,
Tirunelveli – 6.

... Petitioner

-VS-

1. The Tamil Nadu Small Industries Development Corporation Limited,
Rep. by its Chairman & Managing Director,
Near SIDCO Electronics Complex,
Thiru. Vee.Ka. Industrial Estates,
Guindy,
Chennai – 600 032.

2. The Branch Manager,
Tamil Nadu Small Industries Development Corporation Limited,
SIDCO Industrial Estate, Pettai,
Tirunelveli – 627 010.

... Respondents

Prayer:- Petition filed under Article 226 of the Constitution of India, for issue of Writ of Certiorarified Mandamus, calling for the records relating to the impugned order issued by the First Respondent in vide RC No. 6471/IE-4/2019 dated 20.02.2020 so far as fixing the increased land cost and the consequential show notices in R.C.No. 272/B/2020 dated 03.06.2020 and 07.12.2020 issued



W.P. (MD) No. 2413 of 2021

by the Second Respondent and quash the same and consequently direct the Respondents to refix the Plot value allotted to the Petitioner as per G.O. Ms. No. 9, Micro, Small and Medium Enterprises (C) Department dated 17.02.2009 and as per the cost mentioned in the advertisement dated 18.09.2019.

For Petitioner : Mr. T.S.Mohamed Mohideen

For Respondents : Mr. T.Sakthikumaran

O R D E R

Heard Mr. T.S.Mohamed Mohideen, Learned Counsel for the Petitioner and Mr. T.Sakthikumaran, Learned Counsel for the Respondents and perused the materials placed on record, apart from the pleadings of the parties.

2. The Respondent, viz., Tamilnadu Small Industries Development Corporation Limited (hereinafter referred to as 'SIDCO' for short) is a Public Sector Undertaking of the Government of Tamil Nadu entrusted with acquisition of lands for developing them into the industrial plots to facilitate organized industrial growth across the State. In furtherance to the advertisement Notice in Ref. No. 1678/Tho.Pe.2/2018-19 dated 18.09.2019 issued by the First Respondent, the Petitioner had made an application dated 16.10.2019 and after scrutinizing the same, an allotment order by Proceedings in Rc. No. 6471/



W.P. (MD) No. 2413 of 2021

IE-4/2019 dated 20.02.2020 was sent to the Petitioner informing that developed Plot bearing No. 31 measuring an total extent of 0.239 acre at industrial estate at Valliyoor was allotted to him on outright sale basis for setting upon an industry with the line of activity 'manufacture of plastic water tank' subject to the conditions mentioned therein, which include, *inter alia*, as follows:-

“1. Terms of payment:

- (i) The tentative cost of the Developed Plot is **Rs. 5,64,300/- (Rupees Five Lakhs Sixty Four Thousand and Three Hundred Only)** at the rate of **Rs. 23,60,900/- per acre** which is inclusive of SIDCO's Administrative Charges. The above said cost is valid upto **31.03.2020** only.*
- (ii) The above said amount is only tentative. SIDCO reserves the right to revise the amount payable in the event of SIDCO having to pay additional cost to the Government for the lands alienated or enhanced compensation as awarded by the courts of law for the lands acquired or in case of escalation in development cost or for any other reason and such revised amount shall be paid by the allottee, without any demur. The allottee shall give an undertaking in Rs. 100/- stamp paper (as per format enclosed) agreeing to*



W.P. (MD) No. 2413 of 2021

pay the difference in land cost if any, as may be demanded by TANSIDCO.

The cost of the Developed Plot shall be paid in the manner indicated below:

- (iii) *The initial payment of 25% of the cost of Developed Plot of **Rs. 1,41,100/- (Rupees One Lakh Forty One Thousand and One Hundred Only)** shall be paid within two months from the date of allotment order and belate payment beyond two months to be paid along with interest at 13% per annum or at such rate, as may be fixed by SIDCO from time to time.*
- (iv) *The balance payment of 75% of the cost of the Developed Plot of **Rs. 4,23,200/- (Rupees Four Lakhs Twenty Three Thousand and Two Hundred Only)** shall be paid within six months from the date of date allotment order and belated payment beyond six months shall be paid along with interest at 13% per annum or at such rate as may be fixed by SIDCO from time to time.”*

3. Since the Petitioner failed to make payment of the land cost in two



W.P. (MD) No. 2413 of 2021

installments of 25% and 75% within the time limit stipulated by SIDCO,

Notices in Rc. No. 272/B/2020 dated 03.06.2020 and 07.12.2020 were sent to him to show-cause within 10 days from their receipt as to why action should not be taken for cancellation of the allotment of industrial plot made in his favour. At that stage, the Petitioner has filed this Writ Petition challenging the allotment order in Proceedings in Rc. No. 6471/IE-4/2019 dated 20.02.2020 insofar as it provides for re-fixing the land cost and the consequential show-cause notices by contending that the re-fixation of the land cost was not in accordance with the guidelines in G.O. Ms. No. 9, Micro, Small and Medium Enterprises (C) Department dated 17.02.2009 and G.O. (Ms) No. 31, Micro, Small and Medium Enterprises (C) Department dated 19.06.2013 issued by the Government of Tamil Nadu.

4. This Court at the time of admission by interim order dated 10.02.2021 had granted interim stay. It is informed that the Petitioner has made payment of Rs. 1,50,000/- on 17.06.2020 and Rs. 96,355/- on 03.03.2021 and the outstanding amount of Rs. 4,37,916/- remains on 20.12.2022 to be paid by him.



W.P. (MD) No. 2413 of 2021

5. In response to the contention of the Petitioner that the re-fixation of the land cost is not in accordance with G.O. Ms. No. 9, Micro, Small and Medium Enterprises (C) Department dated 17.02.2009 and G.O. (Ms) No. 31, Micro, Small and Medium Enterprises (C) Department dated 19.06.2013 issued by the Government of Tamil Nadu, it has been brought to notice that the Government of Tamil Nadu by G.O. (Ms) No. 34, Micro, Small and Medium Enterprises (C) Department dated 18.10.2016 has substituted para 12(iii) to (v) of G.O. (Ms) No. 31, Micro, Small and Medium Enterprises (C) Department dated 19.06.2013, as follows:-

“(iii) For all the Industrial Estates of TANSIDCO, the Chairman and Managing Director, TANSIDCO is directed to fix the land cost for the year 2016-17, by taking 2015-16 as base price and by adopting the highest of the following:

- a. Guideline Value*
- b. Notional Increase over the Previous Year*
- c. Notional increase on simple interest basis at the rate of 15%, 12% and 10% for the A, B and C category Industrial Estates developed and maintained by SIDCO.*



W.P. (MD) No. 2413 of 2021

(iv) *The Chairman and Managing Director, Tamil Nadu Small*

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Industries Development Corporation Limited is permitted to retain the previous year's land cost for next one year with due justification and with the approval of the Board in respect of Industrial Estate(s) where there is insufficient sales. However, if the same situation prevails for the subsequent year and Tamil Nadu Small Industries Development Corporation Limited wants to continue the same selling rate, the Tamil Nadu Small Industries Development Corporation Limited may approach the Government with due recommendations of the Board and justifications for necessary orders to retain the same rate.

(v) *The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited is directed to fix the land cost every year by following the above guidelines scrupulously by taking the previous year as the base price.”*

It has been submitted that the re-fixed amount of land cost is in accordance with the aforesaid substituted clause that binds the parties and a working-sheet has also been furnished showing the calculation for the amount due arrived in that regard. The aforesaid explanation of SIDCO deserves acceptance and the claim of the Petitioner without reference to the revised guidelines for fixation



W.P. (MD) No. 2413 of 2021

of land cost obviously cannot be countenanced.

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6. It shall be incumbent upon the Petitioner to make immediate payment of the outstanding amount as claimed by SIDCO and submit his explanation, if any, for the impugned show-cause notices without brooking any further delay. In the event of the Petitioner failing to comply with such requirements by 31.01.2023, the Respondents are not precluded from proceeding further to take decision on cancellation of the allotment of plot made in favour of the Petitioner in furtherance to the impugned show-cause notices following the prescribed procedure in consonance with the principles of natural justice.

In the result, the Writ Petition is dismissed with the aforesaid observations. Consequently, the connected Miscellaneous Petitions are closed. No costs.

09.01.2023
3/6

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Index: Yes/No
NCC: Yes/No

Note: Issue copy of the order by 20.01.2023

To



W.P. (MD) No. 2413 of 2021

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Copy to

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W.P. (MD) No. 2413 of 2021

P.D. AUDIKESAVALU, J.

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W.P. (MD) No. 2413 of 2021

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3/6