



WEB COPY



W.P.No. 27193 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 15.02.2024

CORAM :

THE HONOURABLE MR.JUSTICE S.S.SUNDAR

and

THE HONOURABLE MR.JUSTICE N.SENTHILKUMAR

W.P.No. 27193 of 2021

C.Surendran

..Petitioner

Vs

1. The Chief Secretary
Government of Tamil Nadu,
Fort St. George, Chennai 09
2. The Secretary
Ministry of MSME Government of Tamil nadu
Fort St. George, Chennai 09.
3. The Secretary
Ministry of Textiles Government of Tamil Nadu,
Fort St. George, Chennai 09.
4. The Secretary
Ministry of MSME Government of India,
Nariman Bavan,
7th Floor, Maulaa Azad Road New Delhi -110 108
5. The Secretary
Ministry of Textiles Government of India
Udyog Bhavan, New Delhi



W.P.No. 27193 of 2021

WEB COPY

6. The Secretary
Ministry of Home Affairs Government of Tamil Nadu,
Fort St George, Chennai 09
7. The Member Secretary
Tamil Nadu Pollution Control Board
76 Anna Salai, Guindy Industrial Estate,
Race View Colony Guindy, Chennai 32
8. The Managing Director
Tamil Nadu Small Industries Development
Corporation Ltd (TANSIDCO),
Guindy, Chennai 32
9. The Collector
O/o The collectorate,
Fort Main Road, Salem - 636 001
10. The Thasildar
O/o The Thasildar,
Sankari Taluk, Salem.
11. The Superintending Engineer
Mettur Electricity Distribution,
Tamil Nadu Electricity Board,
Mettur Dam 636 401, Salem District
12. The Revenue Divisional officer
(RDO) Sankari Division, Salem District
13. City Union Bank Ltd
Salem Main Branch No. 98 99 100
Arunachala Achari street,
Near Old Salem Bus Stand, Salem 636 001



W.P.No. 27193 of 2021

WEB COPY

14. M/s. Salem Looms Clusters Consortium Pvt Ltd.,
No 6/11 East Street,
Karungalpatti, Salem-636006.

15. Selvam
16. Mani
17. Jeeva
18. Soundher
19. Chinnamayil
20. Gopi
21. Govindaraj
22. Chinnaraj

..Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, Calling for the records in impugned notice dated 15.09.2021 in R C. No. 777 / D / 2012 issued by the 8th respondent and quash the same and consequently (i) direct the 2nd Respondent to refund of Rs, 5,61,75,592/- invested which includes amounts repaid to bank loan by the petitioner and other shareholders in the 14th Respondent company and take over the Bank loan of the 14th Respondent with the 13th Respondent (ii) direct the 8th Respondent to operate the 14th Respondent special purpose Vehicle Plant (SPV) by themselves or through any third party.

For petitioner : Mr.K.Seetharam

For Respondents : Mr.P.Kumaresan, AAG
Assisted by Mr.R.Vigneshwaran, GA –
For R1 to 3,6,9,10 & 12
Mrs.Shanmugavalli Sekar, Standing
Counsel – R7
Mr.D.Prabhu Mukunth Arunkumar -R8
Mr. N. Manokaran – Fro R 15, 17 to 22

No appearance : Respondents 4,5,11,13, 14 & 16



W.P.No. 27193 of 2021

ORDER

(Order of the Court was delivered by S.S.SUNDAR, J)

This writ petition is filed to call for the records in impugned notice dated 15.09.2021 in R C. No. 777 / D / 2012 issued by the 8th respondent and quash the same and consequently (i) direct the 2nd Respondent to refund of Rs, 5,61,75,592/- invested which includes amounts repaid to bank loan by the petitioner and other shareholders in the 14th Respondent company and take over the Bank loan of the 14th Respondent with the 13th Respondent (ii) direct the 8th Respondent to operate the 14th Respondent special purpose Vehicle Plant (SPV) by themselves or through any third party.

2. Heard the learned counsels appearing for the parties concerned and perused the materials available on record.

3. Having regard to the arguments from the learned counsel for the petitioner, he has not made out a case why the petitioner should challenge the show cause notice dated 15.09.2021. By the said show cause notice, M/s. Sidco called upon the 14th respondent/M/s. Salem Looms Clusters



W.P.No. 27193 of 2021

Consortium Pvt Ltd., to explain why action should not be taken against the company for non completion of the project and for giving false promise about the date of completion of the project again and again.

4. It appears that M/s. Salem Looms Clusters Consortium Pvt Ltd., was started for the purpose to establish Common Facility Center (CFC) for Power Loom Cluster, Salem District. The petitioner who stated to be one of the share holders and who has invested money in establishment of consortium, has approached this Court. It is stated that the 14th respondent was established under a scheme with the participation of Central and State Government as the special purpose vehicle (SPV) for the benefit of cluster of weaving units in Salem district to ensure pollution free discharge from small industries in Salem. The investment details given by the petitioner shows huge financial contribution from Central Government. The total cost of project is Rs.13.36 crores for setting up this common facility for the weavers of Salem Looms Cluster.

5. Having regard to the fact that the show cause notice was issued by the 8th respondent/SIDCO only to expedite the completion of the project to



W.P.No. 27193 of 2021

cater to the need of small industries, the petitioner cannot have any grievance or *locus standi* when only a show cause notice is issued as to why action should not be initiated against the company which was expected to complete the project in the interest of public. This litigation is motivated with ulterior object or without any bonafide reasons.

6. It is stated that the delay in commencement of project was on account of some obstruction by strangers stalling the erection of electricity supply line. The petitioner himself admits the serious problems faced by investors and other stakeholders apart from thousands of industries. The financial problem and other difficulties of the petitioner and other stakeholders and the genuine grievance appears to be only on account of delay in implementation of the project . However the petitioner while raising grounds challenging the show cause notice seeks further prayers to direct the second respondent/Government of Tamil Nadu to refund the huge sum and to take over its Bank Loan etc., which are not consequential. Withdrawal of investment will only pave way for undesired results affecting the project.



W.P.No. 27193 of 2021

7. Considering the fact that there is no bonafide reasons to prosecute the litigations, the writ petition is dismissed. No costs.

8. The 8th and 14th respondents are directed to ensure implementation of the project with the coordination of 2nd and the 11th respondents within a period of six months.

9. The 7th respondent is also directed to take a leading role by giving them technical support, so that the object of establishment of 14th respondent is served. The State and Central Government through respondents 1 to 5 shall render possible assistance to the 14th respondent to make it functional keeping in mind the importance of existence of thousands of textile industries and the weavers in public interest .

10. List this matter after 4 weeks for filing status report by the respondents 8 and 14.

(S.S.S.R., J.) (N.S..J.)

15.02.2024

Internet: Yes/No
Index : Yes/No
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W.P.No. 27193 of 2021

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W.P.No. 27193 of 2021

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